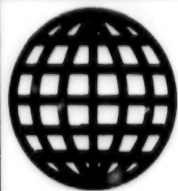


JPRS-NEA-92-140  
22 October 1992



**FOREIGN  
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# ***JPRS Report***

# **Near East & South Asia**

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***INDIA***

# Near East & South Asia

## INDIA

JPRS-NEA-92-140

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22 October 1992

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## International Affairs

### Russia Agrees To Resume Crude Oil Supply

93AS0037A Madras THE HINDU in English 15 Sep 92  
p 7

[Quotation marks as published]

[Text] New Delhi, Sept. 14—Russia has agreed to resume crude oil shipments to India. As part of an arrangement reached with an Indian Oil Corporation (IOC) delegation which visited Moscow last week, it has agreed to supply up to 1 million tonnes to India beginning in November.

Imports of crude oil and petroleum products in the first five months (April-August) of this financial year has touched an all-time high of 13 million tonnes, valued at \$2.4 billions. Besides, 3.8 million tonnes of petroleum products have been imported to meet the rising demand. The delayed monsoon in some areas pushed up the demand for diesel by as much as 13 percent to energise agricultural pump sets.

The canalising agency, IOC, was asked to import 27 million tonnes of crude and 10 million tonnes of petroleum products during 1992-93 and the Government had allocated \$5.3 billions for the purpose. But at the current rate of import, with the spot price ruling at \$22 a barrel, the bill was expected to rise to \$6.4 billions.

Besides importing additional quantities to meet the spurt in demand, IOC may have to enter the free foreign exchange market to buy dollars following the Government's decision not to allocate any more money to IOC for its import operations.

Fuel prices may go up: It was in this context, official sources spoke of an imminent rise in the price of petroleum products, which may now have to be closer to market related prices. A rise in the retail price of petrol appeared certain as it helped in cross-subsidy, while other petro products (High Speed Diesel, kerosene and LPG [liquified petroleum gas]) that in the past escaped from the sharp increase in administered prices may not be able to this time.

To meet the rising cost of the oil import bill, IOC is expected to enter the foreign exchange market in November to buy dollars. The decision could have been postponed had the Russians supplied crude as per the protocol signed between the two countries early this year. Russia was supposed to sell India four million tonnes crude and after an initial shipment of 60,000 tonnes, oil supplies were suspended for various reasons.

The visit of an IOC delegation led by its Director, Finance, Mr. B.D. Gupta, to Moscow last week and the conclusion of an arrangement to import up to 1 million tonnes of crude from Russia under the terms of trade protocol is expected to ease the pressure on the country. The crude supplies will commence from November 1992.

According to an IOC release, an agreement has been finalised with Russia to import between 800,000 tonnes and 1 million tonnes of crude oil. The contract has been described as a major breakthrough because it will provide Indian exporters an opportunity to export against import of crude oil. This will also be the country's first major consignment of crude from the former Soviet Union since 1991.

The total estimated value of crude oil to be supplied will be around Rs. 400 crores. The supplies under the present contract will be made under 'clearing dollar account' arrangement, as envisaged in the trade protocol.

### Papers Report Defense Minister's Moscow Visit

#### Report on 7 Sep Talks

93AS0036A Madras THE HINDU in English 9 Sep 92  
p 1

[Article by Vladimir Radyuhin; quotation marks as published]

[Text] Moscow, Sept. 8—"We have not been able so far to resolve the problem of giving credit to India for defence purchases in Russia," a ranking Russian official said of the outcome of Monday's talks here between the Defence Minister, Mr. Sharad Pawar, and the Russian Minister for Foreign Economic Relations, Mr. Pyotr Aven.

In an interview to THE HINDU Mr. Valery Sobolev, deputy head of the Defence Sales Department at the Ministry for Foreign Economic Relations, said the delay in opening the credit line, negotiated last March in Delhi, was due to economic problems in Russia. "In March the economic situation in Russia was different, and now we find our possibilities have narrowed down."

Mr. Sobolev was clarifying his earlier statement that the main difficulties with defence sales to India were of a "financial character." He insisted that the credit was still on the agenda. But he conceded that the credit issue could not be settled at the ministerial level and a decision would have to be taken "at the highest level." He also confirmed that India would be able to continue buying Russian arms and spare parts on a clearing basis, repaying credits with its exports to Russia.

Denying that the talks had been a failure, he said: "the talks are not over yet and on Wednesday I will meet the Indian Defence Secretary again."

'Some solutions found': Mr. Sobolev said the two sides had made some progress on the issue of prices. "Some solutions have been found, other questions will require further discussions." He was confident that the problems would not cast a shadow over Russian-Indian defence cooperation. "The two sides share the view that they should continue and intensify their efforts. We have full mutual understanding and a friendly readiness to appreciate each other's problems."

He said that although there had been some delays, defence supplies to India had never been interrupted. "I



hope there will be more contract deliveries before the end of the year." He felt that the current problems should not be dramatised. "Problems have always been there, including financial ones. This is quite normal, especially if we consider that India remains Russia's biggest defence buyer. We are prepared to develop our cooperation on a long-term basis and there is really no ground for concern."

According to Mr. Sobolev, the question of organising coproduction of Russian weapons and spare parts for export to third countries did not come up during Monday's talks, but he thought such a possibility was open and the two sides have been working on it.

#### UNI reports:

The delegations have failed to agree on the terms of credits and the price for arms purchases by India, according to sources.

They said that though the Russian Government was inclined to provide new credits, the prices asked for were not acceptable to India.

Mr. Pawar had a crucial meeting with Mr. Aven this week and the sources said financial problems were the main hurdle to the supply of spares and defence equipment.

During his meetings with the acting Russian Prime Minister, Dr. Yegor Gaidar, and Mr. Aven, Mr. Pawar expressed India's interest in acquiring sophisticated arms for the three wings of the armed forces, including the multi-role MiG-29 fighters.

While admitting the problems in bilateral economic ties and supply of spares and equipment to India, Mr. Gaidar, however, expressed the hope that they could be solved to the "mutual satisfaction" of both the countries and India would remain Russia's largest arms buyer. No comments were available from the Indian delegation or the Indian Embassy here.

**Meets Burbulis:** Mr. Pawar had a meeting with the Russian State Secretary, Mr. Gennady Burbulis, today. Talking to presspersons after his meeting with Mr. Pawar, Mr. Burbulis said he discussed all the major issues relating to Indo-Russian relations, in view of the Russian President, Mr. Boris Yeltsin's proposed visit to India in January.

"Russia has inherited numerous obligations in the field of defence, including supplies of spares and arms to India. This visit by the Indian Defence Minister should once again confirm that for Russia India is and will remain a priority state in the region," Mr. Burbulis said.

**'Talks going on':** At another news conference, the Russian Deputy Prime Minister, Mr. Alexander Shokhin, refused to comment on the progress in the talks on the issue of Russian creditline to India for the purchase of arms, saying, "the talks are going on."

#### Pawar Comment

93AS0036B Madras *THE HINDU* in English 10 Sep 92 p 9

[Article by Vladimir Radyuhin; quotation marks as published]

[Text] Moscow, Sept. 9—The Indian Defence Minister, Mr. Sharad Pawar, has expressed full satisfaction with his visit to Moscow which has achieved all its goals.

"The Russian leadership has assured us that all commitments of the former Soviet Union to India will be fully honoured and our defence cooperation is the highest priority for the Russian Government," Mr. Sharad Pawar said at the end of his official programme in Moscow that included talks with his Russian counterpart, Mr. Pavel Grachev, and meetings with the acting Premier, Mr. Yegor Gaidar, the Foreign Economic Minister, Mr. Petr Aven, the State Secretary, Mr. Gennady Burbulis, and other officials.

The two sides had also discussed the global and regional security situation and had fully agreed in their strategic perceptions.

Talking to newsmen on Wednesday, Mr. Pawar emphasised that he had "visited Moscow not only in my capacity of Defence Minister but as a senior member of the Indian leadership for the purpose of carrying forward the process of high-level contacts between the two governments so as to ensure that President Yeltsin's visit to India yields very positive results in all fields." Another subject discussed was the forthcoming meeting of the Russia-India Joint Commission later this year.

The Defence Minister said he had not discussed buying any new weapons from Russia. According to him, as far as defence cooperation was concerned the main issue discussed was the supply of spareparts and product support to India. "We have succeeded to resolve these issues," he said, adding that the Russian side had communicated to him even the timetable for defence shipments to India in the remaining months of this year. "In fact the entire programme has been expedited," said the Minister. "Whatever is our requirement we'll definitely buy."

**'Issue of credit not discussed':** Mr. Pawar denied there were any major problems with the Russian defence credit to India. "It is not an important problem as it does not come in the way of product or spares support." He said the issue of credit had not been discussed at all. The issues discussed were "certain financial arrangements that were disturbed because of the internal situation in Russia." According to the Minister, a mixture of arrangements had been worked out, like barter and local account, so "supplies will continue." Mr. Sharad Pawar declined to comment on an earlier statement by a Russian official that the credit issue could only be resolved at the highest political level.

Regarding the Russian proposal to sign a technical cooperation agreement between the Defence Ministries

of the two countries, Mr. Pawar said he would "go back to India and give it serious thought there."

Asked about sales of Russian arms to Pakistan the Minister said: "I do not think what you read in the papers about Russia and Pakistan is true." Anyway, "Russia's approach to India has not changed," he said.

He denied he had had any plans to meet Mr. Yeltsin. "It was not in my programme. The question of meeting Mr. Yeltsin did not come up."

Mr. Pawar said he had extended an invitation to Mr. Grachev, which had been accepted.

On Thursday the Indian delegation flies to the Severomorsk northern naval base near Murmansk and on Friday will visit St. Petersburg before departing for India on Saturday.

### Visit Ends

93AS0036C Madras THE HINDU in English 12 Sep 92  
p 1

[Article by Vladimir Radyuhin]

[Text] Moscow, Sept. 12—The Defence Minister, Mr. Sharad Pawar, left Moscow for New Delhi on Saturday concluding a week-long visit to Russia, the first by a Cabinet member since the breakup of the Soviet Union last year. During his stay the Minister held talks with the Russian Defence Minister, Mr. Pavel Grachev, met the acting Prime Minister, Mr. Yegor Gaidar, the Foreign Economic Relations Minister, Mr. Petr Aven, the State Secretary, Mr. Gennady Burbulis, and other officials. He also visited some military bases.

The final stages of the visit were coloured in almost detective tones as Mr. Pawar, after visiting the northern naval base in Severomorsk on Thursday, suddenly cut short his stay in St. Petersburg and returned to Moscow on Friday, a day in advance. The Indian Embassy in Moscow, which had imposed a virtual news blackout on the visit, did not offer any explanation.

However, the embassy was known to be trying, till the last minute, to arrange a meeting with the Russian President, Mr. Boris Yeltsin. The cancellation of Mr. Yeltsin's visit to Japan, which was due to begin on Monday, September 15, could have given the Indian embassy new hope. This may explain Mr. Pawar's early return to Moscow.

Yet, the Minister himself denied he had any plans to meet Mr. Yeltsin. But this denial poorly squared with his statement that he had come to Moscow "not only in his capacity as Defence Minister, but as a senior member of the Indian leadership." One of his purposes in Moscow was "to ensure that Mr. Yeltsin's visit to India yields positive results in all fields." It is true though that questions relating to Mr. Yeltsin's forthcoming visit could have been discussed during the Defence Minister's meeting with Mr. Gennady Burbulis. Both sides declined to disclose the content of their discussions but Mr. Pawar appeared happy with the meeting.

Obstacles removed: Otherwise, on the basis of what Mr. Pawar told the press it would be easier to say what he had not come to Moscow for. He had not come to meet Mr. Yeltsin, to buy new arms, or to discuss the defence credit to India. According to the Minister, he had come to clear financial and technical obstacles to agreed deliveries of spareparts to Russian-made weapons purchased by India. That aim had been achieved. Russian officials confirmed that defence dispatches to India would pick up before the year end.

However, on other issues there were discrepancies. While Mr. Pawar denied that Russian defence supplies had stumbled over payment arrangements or that the Russian defence credit had been discussed at all, an official at the Foreign Economic Relations Ministry said the main problems were of a financial character. Moreover, he felt the credit issue could only be resolved at the highest political level.

Credit line not opened: In the absence of detailed information, any assessment of Mr. Pawar's visit is a matter of speculation. What is certain is that the Russian credit line has not been opened. But while talks drag on, the sides agreed that defence supplies should go on.

Silence on military pact: However, the speeding up of defence supplies appears to be the only visible result of the visit, which is not much by any standards. One indication that Mr. Pawar is not as happy with his trip, as he claimed to be at his single briefing here, was his refusal to discuss in Moscow the Russian proposal to sign a military cooperation agreement between the Defence Ministries of the two countries.

The Russian Defence Minister, Mr. Pavel Grachev, had handed over to Mr. Pawar a draft text of the agreement on the first day of the visit hoping to hear Indian remarks before his guest left for home. There was even time reserved on the programme for a second meeting of the two Defence Ministers. However, the meeting never took place and Mr. Pawar put off giving "serious thought" to the proposed agreement until returning back to India.

### Rao Briefed on Visit

93AS0036D Madras THE HINDU in English 14 Sep 92  
p 1

[Quotation marks as published]

[Text] New Delhi, Sept. 13—The Defence Minister, Mr. Sharad Pawar, met the Prime Minister, Mr. P.V. Narasimha Rao, here today and apprised him of the wide-ranging talks he had had with the Russian leaders on Indo-Russian cooperation in the defence field during the week-long visit to Moscow.

Mr. Pawar, who returned here last night, also gave the outlines of the comprehensive military treaty offered by the Russian Defence Minister, Mr. Pavel Grachev. The treaty is likely to be finalised before the visit of the Russian President, Mr. Boris Yeltsin to India in January next year.

**'Very Successful'**

Mr. Pawar said his visit, the first by a high-ranking Indian politician after the disintegration of the Soviet Union, was "very highly successful."

Mr. Pawar categorically denied press reports that his meeting with Mr. Yeltsin had been cancelled. He said he had "no engagement" with the Russian leader and so the question of such a meeting being put off did not arise.

Mr. Pawar, who was accompanied by the Defence Secretary, Mr. N.N. Vohra, had come back with the impression that the Russian attitude towards India had not changed. In fact the Russian leadership was eager to resolve any problems with India in the defence field following last year's political changes in that country.

Mr. Pawar had separately met the Russian acting Prime Minister, Mr. Yegor Gaidar and the Secretary of State, Mr. Gennady Burbulis.

The question of defence credit did not figure in Mr. Pawar's talks in Moscow, according to official sources. As such there was no question of linkage of this issue with Indian rouble-rupee debt.

**Defence Spares Supply**

During his visit Mr. Pawar had been able to resolve the issue of product support and defence spares supply for the Indian forces which had a large percentage of sophisticated equipment of erstwhile Soviet origin. The Russian side had a positive approach towards meeting Indian requirements of spares, the sources said. However, the financial problem and financial arrangements remain to be sorted out still, the sources added.

A definite time-schedule had been conveyed to Mr. Pawar for the supply of spares possibly during the next two months.

Sources said Mr. Pawar did not go to Moscow to make purchases of defence equipment or to sign any contracts. The visit was of a goodwill nature and was part of the on-going process of high-level exchanges between India and Russia.

The Indian side would study the military treaty presented to Mr. Pawar and have further discussions with the Russian side before finalising it.

During his stay Mr. Pawar visited an air force base and the big naval base at Murmansk.

Mr. Pawar has extended an invitation to Mr. Grachev to pay an official visit to India.—UNI

**Moscow's Ability to Deliver**

93AS0036E Bombay THE TIMES OF INDIA  
in English 11 Sep 92 p 10

[Text] With differing interpretations of the discussions Mr. Sharad Pawar held in Moscow coming from different Russian sources, it is difficult to be sure of the outcome of what was undoubtedly a very important visit, not least because it was the first by a top Indian

political leader since the dissolution of the Soviet Union. The defence relationship is certainly very valuable to both countries, and there is no reason whatsoever to doubt that both sides want to sustain it despite the substantial changes in their circumstances. With large proportions of the arsenals of all three Indian services being of Soviet origin, New Delhi simply cannot afford to do without spares or the inputs, described as "product support," required to keep production lines going for weapon systems like tanks and armoured personnel carriers. Moscow too faces a compulsion to retain India as a customer. Apart from the fact that this country was the biggest market for Soviet hardware, India's reputation as not only a discerning buyer but also a skilled and effective user constituted in effect an endorsement of quality very welcome to the sellers. In the circumstances of today, the Indian connection is even more valuable because in the current climate of US-Russian cooperation there is no question now of competitive arming of their respective regional clients like Egypt and Syria. Not surprisingly therefore, Mr. Pawar comes back with assurances that India's requirements will be met expeditiously by eliminating bottlenecks that prevented the fulfilment of earlier commitments.

Though Moscow's intentions are not in doubt, fingers will still have to be kept crossed about its ability to deliver since compliance by individual defence plants cannot be taken for granted. Payment arrangements remain a particularly tricky issue despite Mr. Pawar's contention at a Moscow press conference prior to his departure that agreement has been reached on the use of a mixture of instruments. His assertions that the issue of defence credit is not linked to the monumental problem of quantifying India's rouble debt should likewise be taken with a pinch of salt because of the contrary interpretations presented in the Russian media. It should in fact come as no surprise that Moscow will use all available levers, particularly defence credits which are undoubtedly important to India, to make New Delhi more receptive to Russian views on how the debt should be handled. All this apart, another major uncertainty to be reckoned with is the doubtful ability of President Yeltsin and his associates to make other decision-makers fall in line as highlighted by his last-minute cancellation of a long-scheduled visit to Japan because of differences within the leadership on the stand to be taken with regard to the disputed northern islands.

**Chinese, Vietnamese Communists Rebuff CPI-M**

93AS0045A Bombay THE TIMES OF INDIA  
in English 10 Sep 92 p 13

[Article by Subhash Chakravarti: "China, Vietnam Rebuff CPI-M"]

[Text] New Delhi, Sept. 9. A move initiated by the CPM [Communist Party of India-Marxist] to call a meeting of various communist parties of the world to review the international communist movement has been spurned by both the Chinese and Vietnamese communist parties.

It is interesting the two remaining ruling communist parties have taken identical positions in discouraging the



move. Both the Chinese and Vietnamese have conceded there is no international communist movement today and there is no need to hold a meeting of the type suggested by the CPM.

Both these parties now accord greater priority to their respective economic reforms to eventually enjoy a benefit of market mechanism. They are known to have agreed to participate only in an academic seminar on communism and what went wrong in the Soviet Union and other former socialist countries.

The compulsion of China and Vietnam to discourage such a meeting is seen as mutually exclusive. China is apparently hesitant to figure in any speculation which might give the impression that it continues to believe in extending its influence. In other words, China would not take any risk to disturb its prevailing relations with the West, and particularly Japan, and the affluent nations in South-East Asia. China is also doing some business, albeit invisible, with Taiwan through Hong Kong. China has more to gain tying up its relations with these countries than engaging in a role which might revive the spectre of its earlier adversary image in the capitalist world.

The compulsion of Vietnam to discourage establishment of a new international communist entity, however fragile, stems from its fear of affording China an opportunity to dominate the show. Vietnam has lately been extremely exercised over China's occupying three oil-bearing islands in Spratleys in the South China Sea.

This has given a warning signal to all the countries in South-East Asia. The speculation about China's design has now been heightened by an assurance given by China to an American oil company to start drilling in these disputed islands. China has also assured the American company that it would protect them in case there is any threat from any neighbouring country.

Vietnam's relations with China figured prominently at the talks yesterday between the visiting general secretary of the Vietnam communist party, Mr. Do Muot, and the Prime Minister, Mr. P.V. Narasimha Rao.

Chinese diplomats in their recent official exchanges have rather been frank about describing the state of party-to-party relations with the two Indian communist parties and the Congress. Only this week the Chinese communist party invited the BJP [Bharatiya Janata Party] to send a delegation to China. This should not surprise informed circles. In fact, the Chinese take credit for maintaining party-to-party relations with the Republicans in the United States and the Conservative Party in the U.K.

#### **Paper Reports Visit of Vietnam Delegation**

##### **Arrival, 8 Sep Talks**

93AS0035A Madras THE HINDU in English 9 Sep 92  
p 1

[Article by K.K. Katyal; quotation marks as published]

[Text] New Delhi, Sept. 8—The Prime Minister, Mr. P.V. Narasimha Rao, today assured Vietnam's top man,

Mr. Do Muoi, general secretary of the Communist Party, now here as the head of a high-ranking delegation, of India's all-out help, "within our limitations," in Hanoi's efforts to re-structure its economy.

Mr. Do Muoi and his delegation arrived here today to a ceremonial but a warm welcome at Rashtrapati Bhavan by Mr. Rao and some of his Cabinet colleagues, the Lt. Governor of Delhi, Mr. P.K. Dave, and civil and defence officials. Soon after the visiting dignitaries were plunged into the first of the two rounds of official discussions planned for two days—preceded by a one-to-one meeting between Mr. Rao and Mr. Do Muoi.

The two sides briefed each other on their respective world-view, apart from developments close to their countries. Vietnam, it was clear, was still apprehensive of the U.S. attitude and policies apart from showing concern over its trouble with China, arising from the rival claims on the Pacific islands. Mr. Do Muoi spoke of the relevance of the NAM [Nonaligned Movement] as a guarantee against interference in the internal affairs of other countries. Vietnam, according to him, treated India as an elder brother. Mr. Rao, on his part, spoke of the importance of economic strength and political stability.

Similar sentiments permeated the speeches of the two leaders, at a dinner hosted by Mr. Rao in honour of the visitors. A strong and economically vibrant Vietnam, said Mr. Rao, was an asset to the South-Asian region and a positive factor for peace and stability in Asia and the world. Mr. Do Muoi expressed happiness at the progress in recent years in economic, commercial, scientific and technical cooperation between the two countries.

Looks forward: Speaking in the background of the newly-forged links of their countries with ASEAN [Association of South East Asian Nations], both Mr. Rao and Mr. Do Muoi, looked forward to an era of cooperation. Vietnam, the visiting leader said, warmly welcomed India's active participation in the political and economic process in the region. India, he said, had a traditional friendship with the South-east Asian countries, had contributed to the consolidation of peace and cooperation there and had a worthy role in this and the Asia-Pacific region.

Mr. Rao referred to the note of renewed confidence and optimism at the recent NAM summit.

In his arrival statement, the Vietnamese leader favoured India's inclusion in the U.N. Security Council as a permanent member.

#### **8, 9 Sep Talks Reviewed**

93AS0035B Madras THE HINDU in English 10 Sep 92  
p 9

[Article by K.K. Katyal]

[Text] New Delhi, Sept. 9—The high-level delegation from Vietnam, headed by its top man, Mr. Do Muoi, general secretary of the Communist Party, is keen on

India as an economic partner. The two countries, in the opinion of the visiting dignitaries, need to match the economic and trade relation with the excellent political ties.

This was the dominant impression conveyed by Mr. Do Muoi and his colleagues during their two-day talks with the Prime Minister, Mr. P.V. Narasimha Rao, and the Indian delegation. The Vietnamese side saw ample opportunities for economic cooperation now that both the countries had embarked upon liberalised regimes. It made a strong case for Indian investments as also for joint ventures. Vietnam, it was clear, was keen on Indian expertise in the technical and management areas for the success of their policy of 'Doi Moi' or economic renovation.

India has re-scheduled the re-payment of credits, extended to Vietnam in the past, but fresh credits may not be possible. It is not clear whether the two sides addressed this point, and if so, with what result. India, however, did express its preference for a barter arrangement, and showed interest in getting rice from Vietnam in exchange for Hanoi's requirements. Cooperation in the petroleum field had been on the anvil, but details were yet to be worked out.

The Vietnamese leaders recognised the consistency and continuity in India's relationship with their country and the manner in which it had stood the test of the times. There was a keen desire to build upon it as, in their view, the political togetherness between India and Vietnam could be a strong factor for stability in Asia and could help them reap the maximum benefits of the dynamic economies of the Asia-Pacific region. They appreciated India's contribution to the South-east Asian region and looked forward to its continued interest in resolving the Cambodia problem.

Vietnam, they explained, had established good relations with the ASEAN as also with its members individually and, having acceded to the Treaty of Bali, could now consider joining the grouping.

**Relationship with United States:** Giving an overview of their current concerns, Mr. Do Muoi and his colleagues pointedly mentioned the evolving relationship with the United States, China and Russia. Vietnam, they said, regarded improved relations with the United States as an important factor for the success of its economic reforms, but did not expect concrete results before the presidential elections there. They were at a loss to comprehend the inability of the United States to get over the old Vietnam syndrome, even though Hanoi had done its bit by fulfilling all the prerequisites for normalisation—like withdrawal of its troops from Vietnam and accession to the Paris accord. Instead, Washington had let the problem of the 'missing in action' persons cast a shadow over the efforts for improved ties. This, as Vietnam saw it, was a humanitarian matter and needed to be tackled as such and not mixed with political issues.

Vietnam's relations with China, it was pointed out, had both positive and negative features—the first represented by the progress in the normalisation process, symbolised by the plans of the Chinese Premier, Mr. Li Peng, to visit Hanoi towards the end of the year, and the second marked by the dispute over the sovereignty of the territorial waters.

The disintegration of the Soviet Union, according to the visiting delegation, had caused tremendous dislocation in trade and economic cooperation (as in the case of India), but Vietnam had successfully overcome the consequences.

### DRV Foreign Minister's Remarks

93AS0035C Madras *THE HINDU* in English 10 Sep 92  
p 9

[Text] New Delhi, Sept. 9—Vietnam has sought India's participation in its nuclear energy programme, but has so far not considered procuring nuclear reactors from it. This was stated by the Vietnamese Foreign Minister, Mr. Nguyen Pham Cam, at a press conference today. Mr. Cam said Vietnam was committed to making peaceful use of nuclear energy.

On the issue of defence cooperation with India, Mr. Cam said though Indo-Vietnam cooperation was multifaceted, defence cooperation was slated to be discussed at the Defence Ministers' level by the two countries.

Referring to economic cooperation, Mr. Cam felt that the full potential had not been exploited.

The Minister of State for External Affairs, Mr. Eduardo Faleiro, said the two countries have decided to strengthen economic cooperation in a number of areas, including food processing, marine products and hotel industry.

Mr. Faleiro felt that India and Vietnam could establish joint ventures in these, as well as other fields.

Mr. Faleiro said India would begin its sectoral dialogue with the Association of South East Asian Nations (ASEAN) early next year.

**Charge against Khmer Rouge:** On Cambodia, Mr. Cam lashed out against the Khmer Rouge, for causing obstructions in implementing the phase-two of the U.N. sponsored peace accord. Mr. Cam felt that the Khmer Rouge must be compelled to implement the accord—especially the decisions related to the reduction of its forces and the repatriation of refugees. Mr. Cam warned that if this was not done and the situation was allowed to get "complicated," the security of Vietnam would be threatened gravely.

Asked whether there were any remaining Vietnamese troops in Cambodia, Mr. Cam said that all of them had been withdrawn and allegations suggesting their presence on the Cambodian soil were baseless.

Referring to Vietnam's row with China on claims over Spratly Islands (other nations which have territorial claims on these islands in full or in part include

Malaysia, the Philippines, Brunei and Taiwan), Mr. Cam said more incidents affected the normalisation of relations between the two countries. However, he felt that the issue would be discussed by the two countries before the Chinese Premier, Mr. Li Peng, visited Hanoi later this year.

### Report on Communiqué

93AS0035D Madras THE HINDU in English 15 Sep 92  
p 9

[Article by K.K. Katyal; quotation marks as published]

[Text] New Delhi, Sept. 14—The joint statement, issued today on the conclusion of the six-day visit to India of a high-level Vietnamese delegation, records their decision to broaden the areas of economic cooperation to match the 'excellent' political ties. The emphasis is to be on joint ventures in various fields—oil exploration, exploiting and processing of minerals, small industry, agriculture, agro-based industries, hotels and marine products. Vietnam commends India's foreign policy aims, particularly its efforts to strengthen ties with its neighbours. It supports solution of India-Pakistan problems through negotiations under the Simla Agreement.

The policy of 'Doi Moi' (renewal) in Vietnam and economic reforms in India, according to the statement, creates the most favourable conditions for promoting their relationship. It notes with satisfaction the progress already made in economic, trade, scientific, technological and cultural cooperation, which is seen as providing impetus for the future. The two sides have agreed to finalise, as soon as possible, an air services agreement, an agreement on the avoidance of double taxation and a memorandum of understanding for cooperation in agricultural research and training.

Wide-ranging talks: The eight-page statement gives the gist of the discussions between the Vietnamese delegation led by Mr. Do Muoi, general secretary of the Communist Party, and the Indian team headed by the Prime Minister, Mr. P.V. Narasimha Rao, on a wide range of issues—the recent changes in the world, nuclear disarmament, international economic relations, south-east Asia, Indian sub-continent, Afghanistan and Cambodia. Vietnam, like India, favours complete elimination of nuclear weapons, within a time-bound framework. The two sides, according to the statement, feel that the action plan, tabled by India at the special U.N. session in 1988, for a nuclear-weapon-free world by the year 2010 needs to be operationalised expeditiously.

Vietnam values India's 'foreign policy of peace and non-alignment' and its efforts at improving and fortifying its ties with neighbouring countries, creating an atmosphere of mutual understanding, trust and cooperation in South Asia.

Supporting India's neighbourhood policy, the statement says: 'The Indian side drew attention to Pakistan's continued support to subversion and terrorism in parts of India such as Punjab and Jammu & Kashmir amounting to blatant interference in the internal affairs

of India. Both sides held the view that all the differences between India and Pakistan should be settled through peaceful bilateral negotiations in accordance with the Simla Agreement.

Concern shared: On Cambodia, the two sides re-affirm their commitment to continue, along with others, to 'make active contribution to facilitating a strict implementation of the Paris Agreement'. They share the concern of the international community over the actions of Khmer Rouge, and would like all the Cambodian parties to work in the spirit of national reconciliation, harmony and cooperation, underlying the Agreement.

As regards Afghanistan, they have expressed the hope that its people would resolve their differences through peaceful means without 'any external interference of any kind'.

Each of them has hailed the other's role in relation to the South Asian region—while India has commended Vietnam for the formal signing of the Treaty of Amity and Friendship in South East Asia, and becoming an observer of ASEAN, Vietnam appreciates India's association with it as a sectoral dialogue partner.

### Ties To PLO Seen Weakening

92AS1502A Madras THE HINDU in English 29 Aug 92  
p 7

[Article by F.J. Khargamvala; boldface words as published]

[Text] Manama (Bahrain), 28 August: Soon after the 15 November 1988 Algiers declaration of independence by the State of Palestine, India was among the countries that officially recognised it and accredited its Ambassador in Tunis to the "President of the State of Palestine."

Three and a half years later, India has joined the large body of supporters, mainly Arab and third world who belong only to the Palestine lip service club. It was clear for quite some time that once the U.S. sponsored peace process began, there was very little that non-Arabs, except the West Europeans and Japan, could do for the Palestinians. Yet, one had reason to expect that India would maintain some positive interest in their fate. The Palestinians need to reflect on their own contribution to this state of affairs.

**Charade:** All that remained after India established formal ties with Israel on 29 January this year was an oft repeated charade that the new relationship would enhance New Delhi's credibility in Tel Aviv enabling it to play a constructive role in the peace process. To give credence to this explanation, some expected India to keep, for form's sake, some direct high level contact with the Palestinians, especially the delegation negotiating with the Israelis. That hope has turned out to be false.

Recently, the Minister of State for External Affairs, Mr. Eduardo Faleiro, had ample opportunity in both Damascus and Amman to meet Palestinian leaders like Dr. Haidar Abdul Shafi, Dr. Faisal Husseini and Ms.



Hannan Ashrawi without his schedule being affected in the least. When asked why he did not meet them, Mr. Faleiro pleaded that he was not made aware. That itself tells the story.

Indian officials are at great pains to say that India was in touch with the PLO leader, Mr. Yasser Arafat, who visited India before 29 January, that India is on the NAM [Nonaligned Movement] committee on Palestine. Contradictorily, they argue that since the PLO is quite out of the show, India's Charge d'Affaires in Tel Aviv has met "some Palestinian figures" in the occupied areas though not the top brass. It is unfair for the Ministry of External Affairs to be asked to explain an ill conceived Congress party position. Government officials would be more honest in just supporting the peace process and the two U.N. Security Council resolutions.

**Dubious stand:** Primarily this sad condition is a result of recent changes. The PLO saw use for India only until the Nonaligned Movement was reasonably effective. Yet, had India's principled support been reinforced with better PLO diplomacy the friendship could have survived the changes in the present global environment. Unfortunately it was one sided. Indian diplomats conclude that the PLO turned out to be a fair weather friend and over a period of years its dubious stand on Kashmir and arrogant attitude towards Indian diplomats and the media eroded, as it must, the degree of support for its cause.

Interviews with at least a score of Indian diplomats and headquarters officials over the past three years, including some before the demise of the cold war, indicate irritation with PLO officials in taking India for granted.

**Gut issue:** Ordinarily policies fashioned by national interest should outweigh such a negative and cumulative psychological conditioning. But the PLO refused to back India on a gut issue. At the Islamic Conference in Cairo in August 1990, when "The Jammu and Kashmir Dispute" was inscribed on the agenda for the first time, and thereafter at all future Islamic meetings, only one country, Iraq, actually spoke to keep the issue off the agenda.

Indian diplomats say that the Kashmir situation then looked like getting out of India's grasp. That is the time when true friends are identified. Only one country, now isolated, showed out. The "Foreign Minister" of Palestine, Mr. Farouk Kaddoumi, actually told an Indian journalist "You want to talk to me about Palestine and Kashmir? Maybe next year I will be talking to a Pakistani journalist about it. Oh, I was just joking." Mr. Farouk Kaddoumi doesn't count for anything much now but he and the then PLO's U.N. representative, Mr. Zahdi Terzi, spelt out their real brief from Tunis.

This stand was not the primary reason for the two sides being distanced but it was evident that if the PLO was not against India, it was surely not for it either.

Until a year ago India indulged the PLO. South Block occasionally objected to Turkey's position on Jammu and Kashmir which was not different from that of the PLO. But, except for Mr. Arafat and a few figures, the PLO is now history. It is time for India to merge principle with reality and pick up the threads with the new leaders in the occupied territories who may still get back to the third world if and when the Arab-Israeli dispute moves to the U.N.

### Libya Asks Support in Lockerbie 'Stalemate'

92AS1485A Madras *THE HINDU* in English 15 Aug 92 p 1

[Quotation marks as published]

[Text] New Delhi, Aug. 14—Libya has sought India's support to end the stalemate with the West on account of its refusal to hand over the suspects allegedly involved in the bombing of a commercial airliner over Lockerbie in Scotland.

A special envoy of the Libyan strongman, Colonel Mu'ammar al-Qadhafi, Mr. Umar Mustafa Muntasir, who met the Prime Minister, urged India to intensify efforts on three grounds to see that 'justice is done.'

Responding to Libya's request, the Prime Minister observed that there was little to be gained from confrontation and welcomed Libya's emphasis against terrorism. He felt that only procedural problems remained in the resolution of this issue.

### Efforts for Balanced Mideast Relations Told

92AS1487A Madras *THE HINDU* in English 19 Aug 92 p 7

[Article by F.J. Khargamvala: "Faleiro Mission To Erase Wrong Image"]

[Text] Damascus, Aug 18—Unless a sudden Gulf confrontation prevents him from transitting Kuwait, the Minister of State for External Affairs, Mr. Eduardo Faleiro sets out in a few hours to visit Syria and Jordan, largely as part of an effort to dispel impressions of an imbalance in India's ties with the Arab world on the one hand and with Israel on the other.

Mr. Faleiro needs to be back in New Delhi to receive a Tunisian Minister early next week, a fortnight after the Gulf Cooperation Council Secretary-General visited India. These visits, and a possible short one by Egypt's President, Mr. Hosni Mubarak are intended to correct an apparent tilt towards Tel Aviv. In June, Mr. Faleiro toured three Gulf sheikhdoms, but his visits to Damascus and Amman would be the first to direct participants in the ongoing peace process after India established ties with Israel on January 29 this year. Within a few weeks in New York an Indian Minister will greet his Israeli counterpart.

### Maintaining charade

This attempt at a balanced profile also helps the Congress(I) to maintain the charade that India established

ties with Israel to play some constructive role in the peace process, a point that Mr. Faleiro will doubtless make with a straight face. Actually if there was sincerity of purpose attached to this show of equilibrium South Block could have revised the Minister's schedule slightly to take in the likelihood of the Palestinian negotiating delegation congregating in Jordan before going to Washington. India is a party to the multilateral phase of the peace process and it would have been an excellent opportunity to meet the Palestinians.

Visits by Indian Ministers, including one to Kuwait next month by the Communications Minister, Mr. Rajesh Pilot, are also part of a reformation in the West Asia policy. With suitable variations such as those involving Iran, India is focussing on the alliance and the countries where the balance of power lies—Israel, Egypt, Syria, the Gulf and, independent of those, Iran. Incidental benefits sought are a neutralisation of Pakistan's diplomatic effort and trade and economic spinoffs.

#### Activist diplomacy

India's exchanges with West Asia had lost direction to a point where all its ambassadors see advantage in the mere fact of a visit, in whichever direction. The Ministry has two Ministers and can now indulge in this activist form of diplomacy. However now that the parameters of the new policy are clear it is time to try and put wide contents into it. This means injecting a people-to-people content. Aside from some efforts at clinching a deal Ministers do not go around hawking diesel engines and generators, nor buying phosphates.

Ministers travel and return. The fact gets recorded in the Ministry's annual report. There may be some marginal economic benefit but at the peoples' level, in treatment of Indians, in issue of visas there is no change. There is hardly an Arab country which gives a businessman or a journalist a visa immediately without a letter from the MEA [Ministry of External Affairs] or a Chamber of Commerce. Otherwise there is a three-week delay. Sometimes visa-holders face obstacles, such as in Egypt. All Indian Ministers have given the standard reply "we have taken it up and they are looking into it." A response that seems to have its origins in India.

Arab capitals seriously interested in ties with India surely know the absence of such obstacles has contributed to how Indians feel about Israel. Unless businessmen, tourists and journalists travel freely, a bilateral relationship remains fragile. Though the Gulf too is rigid about getting Indians in, the value of a people's level relationship is best seen in the quick reestablishment of the equilibrium between the Gulf and India after the last war, because this equation has a grassroots component. A Minister can be said to have tangibly contributed to a relationship only by showing what's in it for the public, not by vague claims of this or that government stressing the importance of the Shimla Agreement. Otherwise India's ties with the Arabs exist only in the halls of the nonaligned and like the latter, brittle.

#### PTI reports from New Delhi

Mr. Faleiro told newsmen he was visiting Syria and Jordan from August 20 to 24.

#### Afghan President's Delhi Stopover Discussed

93AS0038A Madras THE HINDU in English 11 Sep 92 p 1

[Article by K.K. Katyal]

[Text] New Delhi, Sept. 10—Although the Afghan President, Mr. Burhanuddin Rabbani, had to call off his state visit to India on his way back from Jakarta, because of the serious floor situation in his country, the hope that it may still materialise has not been given up. A lot of preparatory measures had been put in for the cancelled trip and that provides the impetus for fresh efforts.

During his two stopovers here, Mr. Rabbani spent some six hours in wide-ranging discussions with the Indian hosts. Since the Prime Minister, Mr. P.V. Narasimha Rao, as also the two Ministers of State, Mr. Eduardo Faleiro and Mr. R.L. Bhatia, were in Jakarta, most of the talking was done by senior officials of the External Affairs Ministry. Because of the unexpected change in Mr. Rabbani's arrival schedule, the Finance Minister, Dr. Manmohan Singh, could not see him, as was planned.

The interaction, the first of its type, after the change in Kabul, was intense. The very fact that Mr. Rabbani chose to travel via Delhi, in both the directions, was considered significant—as a signal of Kabul's desire to maintain an element of continuity in the ties with India. New Delhi does not take a grim view of his reference, at the NAM [Nonaligned Movement] Summit, to the right of self-determination for Kashmir—considered a concession to Pakistan because of its help to the struggle of the Mujahideen groups against the Soviet-backed Kabul regime for over a decade—especially when he also spoke of the need for a peaceful settlement. In it was discerned a consciousness of the need to keep a balance.

Indian aid: Mr. Rabbani's discussions here reflected sensitiveness to the importance of his country's bilateral relations with India. This was evident from the desire for the continued flow of Indian aid—which, in any case, had been confined to non-controversial areas, like health and industrial estates. To it may be added other similar items like Indian expertise in irrigation and agriculture. Then there are plans to resume the expansion programme for the Institute of Child Health, run with Indian help. The work on it, already begun, is expected to be completed soon.

India has continued to supply medicines—through Mazar, in view of the disturbed conditions in Kabul.

#### Delhi Concerned Over Situation in Kabul

92AS1508A Madras THE HINDU in English 26 Aug 92 p 9

[Article by K.K. Katyal: "Govt. Concern Over Kabul Situation"]

[Text] New Delhi, Aug 25. In the messiest ever situation that prevails in Kabul now the Indian Embassy is in close contact with other missions, including that of Pakistan, for joint help to face the grave threat to the security of diplomatic personnel.

The security of the Indian personnel and other nations is of prime concern to New Delhi, it is stated. The Government is conscious that it has to be prepared for all exigencies to meet the highly uncertain situation.

A foreign office spokesman, who briefly described the situation and spoke of the Government's concern today, said it would take whatever steps necessary to ensure the safety and security of the Indian nationals. Is evacuation considered one of the options, he was asked. All steps were being considered to keep them away from harm's way. He did not elaborate on the point.

The indiscriminate bombing of Kabul by Mr. Golboddin Hekmatyar's men has affected the life there, with no water, no electricity, and no supply of daily necessities. Kabul is cut off from the rest of the world, in the absence of flights as also of communication links (barring occasional telephone connections). While the vast sections of the civilian population, notably the Hindus and Sikhs, have fled the city, diplomatic personnel of various missions stick to the posts of duty.

**Serious dangers:** They are exposed to serious dangers as evidenced by the incidents of the last two or three days. The Bulgarian Ambassador was injured, the Pakistan Ambassador's house was hit while the embassies of Italy and Indonesia were subjected to rocket attacks. People living in the basements and bomb shelters is not an uncommon sight.

The Indian mission—and presumably others as well—have sought the Afghan Government's help in ensuring the safety of the diplomatic staff, reminding it of its obligations under the international law. But the reality—the helplessness of the present rulers—has to be reckoned with.

Mr. Hekmatyar's Hezb-i-Islami has launched an all-out offensive against the Government, controlled by the rival Mujahideen elements. Perched on the commanding heights in the vicinity of Kabul, the Hezb attackers fired as many as 600 rockets in one day which, apart from the devastation caused, spoke of the stockpile of weapons with them. They will need to be pushed back by some 40 km to free the city from the threat of rocket attacks. That is the strategy the Government has in mind.

How do the attackers replenish their arsenal is, naturally, a matter of lively speculation. Pakistan is widely believed to be the source of supply, its disclaimers notwithstanding. Islamabad often proclaims it will not let its territory be used for operations against the Kabul Government. But there is the suspicion that it is following a two-track policy. That explains the Afghan Government's recent statement expressing the hope that Pakistan would translate its words into concrete action.

### On Mediation Mission

DPA reports from Peshawar:

Two Afghan leaders, Mr. Yunus Khaless and Mr. Mohammad Nabi Mohammadi, both members of the Afghan leadership council, announced a mediation mission for Kabul as rival forces continued to battle on the outskirts of the Afghan capital on Tuesday.

They would leave Peshawar tomorrow to mediate between the acting President, Mr. Borhanoddin Rabbani and his rival, Mr. Golboddin Hekmatyar "somewhere in the vicinity of Kabul," the AFGHAN ISLAMIC PRESS (AIP) agency reported.

Government planes bombarded Mr. Hekmatyar's Butkhak base in the southeast where his Hezb-i-Islami forces have artillery trained on Kabul, AIP said.

### Regional Affairs

#### Article Analyzes Pakistani Army 'Raid' on Line of Control

BK1510030592 Delhi INDIAN EXPRESS in English  
4 Oct 92 p 12

[By Pravin Sawhney: "Pak Mischief Makes Entire LC (Line of Control) Active"]

[Text] New Delhi - What resulted in the recent fleeing of the inhabitants of Pallanwala village on September 31 because of fierce Pakistani firing in the Chhamb sector, actually began on September 28, when Indian troops thwarted yet another Pakistani design to transgress the Line of Control (LC).

A raid was attempted by Pakistan on an Indian forward post, south of Mandiala in the Chhamb sector, on 28 night. While the vigilant Army on the first line of defence successfully repulsed the Pak raid, it resulted in the killing of a Pakistani officer, probably of Major rank—who directed the raid—amongst other casualties.

To avenge their foiled raid, Pakistani troops opened fire from its battalion support weapons, which included 60 mm and 81 mm mortars, on Pallanwala village which has Hindu population. The indiscriminate firing, which continued for three days, resulted in the killing of four civilians and a virtual stampede with the villagers running east towards Khaur and Jaurian.

Pallanwala village is about 60 meters north-east of Mandiala bridge on the Manawar Tawi river which is the LC, the east bank with India and the other bank with Pakistan. The broken bridge on the Tawi, with the western bridge span with Pakistan and the eastern portion in Indian territory, testifies to the change of LC from the ceasefire-line in 1972, to Pakistan's advantage.

The choice of Pallanwala for intense battalion weapons fire was premised by Pakistan on, at least, four factors. First, being close to the LC, it comes in the range of battalion level mortars and automatic fire. Being aware of the heavy artillery quantum available with the Indian



10 division sector, responsible for Chhamb, Pakistani troops avoided opening of their artillery in this sector.

Second, it provided psychological boost to Pakistan, as the Hindu population of this village, since the 1971 war, has never witnessed the exchange of fire; which resulted in a virtual stampede. Especially when the massive floods in the Chenab river, which washed away the road links to Jaurian and Akhnur, and also the old Akhnur bridge would have already demoralised the border population.

Third, raid on the Indian forward post and subsequent intense firing was planned on the assumption that the massive flooding of the Chenab which wrought disaster in India, though much more in Pakistan, would have dislocated the Army's surveillance systems and vigil in the sector.

And lastly, by making live the Chhamb sector, unlike Poonch and Keren which have been traditionally live, for the first time since the 1971 war, Pakistan has now made the complete LC active. The opening of yet another front in the Jammu division also signifies support to the increasing militancy in this sector.

At the strategic levels, the recent firing vindicates a pattern, where attempts have been made by the Pakistan Army to change or transgress the LC only at places where the LC changed from the pre-1972 ceasefire-line. While at more live areas like Kargil, the LC changed to India's advantage, Chhamb alone was changed to Pakistani advantage. "This suggests that even on the ground, Pakistan is not reconciled to abide by the spirit of the Simla agreement, which brought about the LC," observed a top officer.

Yet another pattern is that in the last three years, whenever, official level talks, as part of confidence-building measures, are initiated between the two governments, the Pakistan Army has displayed its own. While during the recent foreign secretary level talks, the northern most tip of LC at the southern Siachen glacier was activated by the Pak Army. It is now the southern-most tip of the LC at Chhamb which is under fire on the eve of the forthcoming defence secretary level talks on Siachen scheduled for October.

#### **V.P. Singh's Invitation to Pakistan Welcomed**

93AS0047A Madras THE HINDU in English 8 Sep 92  
p 9

[Article by K.K. Katyal: "New Dimension to Indo-Pak. Contacts"]

[Text] New Delhi, Sept. 7. A new dimension to the Indo-Pakistan contacts has been added by the invitation for meetings by the Pakistan President, Mr. Ghulam Ishaq Khan, and the Prime Minister, Mr. Nawaz Sharif, to the Janata Dal leader and the former Prime Minister, Mr. V.P. Singh.

Mr. Singh is now in Karachi in response to an initiative from the Pakistan Opposition leader, Ms. Benazir Bhutto. She had invited the Opposition representatives

from the SAARC [South Asian Association for Regional Cooperation] countries for a conference, presumably to discuss the situations faced by them and the role they had to play in their respective countries. She had also invited the BJP [Bharatiya Janata Party] leader, Mr. L. K. Advani, but he declined.

The decision of the Government leaders might have been dictated by domestic factors—perhaps they did not like Ms. Bhutto to have the exclusive limelight at an international group—but it, nonetheless, is a welcome gesture in a situation where the tendency to talk at each other instead of talking to each other had contributed to tensions in the bilateral fields. Not that all the contacts between their representatives had yielded positive results—the meeting of the two Prime Ministers, Mr. P.V. Narasimha Rao, and Mr. Nawaz Sharif, in Jakarta being the latest example—but the value of the continuous interaction is not to be under-estimated. If anything, it helps moderate the rhetoric from the two sides. On his return from Jakarta yesterday, Mr. Rao conceded that there had been no progress as of now in his meeting with Mr. Sharif, but added that "talks in themselves are desirable between the Prime Ministers of the two countries."

During Mr. V.P. Singh's tenure as the Prime Minister, the then External Affairs minister Mr. I.K. Gujral, took the commendable initiative for improving bilateral relations with Pakistan, as part of a conscious policy of the Government. Unfortunately, the ground realities took an ugly turn and the effect of his efforts was more than cancelled, with the two countries moving inexorably towards the brink. Later, New Delhi presented to Pakistan a package of confidence-building measures, the first of its kind. The response by Pakistan was not positive but the ideas mooted then has since served as the basis for discussions, however desultory, between the two Governments.

The invitation to Mr. V.P. Singh represents the widening of the area of contacts, long confined to the official level. This process, in a way, began some time ago. When Mr. Nawaz Sharif came here last year at the time of the death of the former Prime Minister, Rajiv Gandhi, he utilised the opportunity for discussions, not only with the representatives of the Government, but also with the Opposition—and they included the leaders of the Janata Dal and the BJP.

The Pakistan Government—first during the tenure of Gen. Zia-ul-Haq, and later of Mr. Sharif—paid considerable attention to Mr. Morarji Desai, long after he ceased to be the Prime Minister. In fact, Gen. Zia decided to award Mr. Desai a prestigious medal of the Pakistan Government. This decision, interestingly, was rescinded by Ms. Bhutto when she came to power, but was reviewed by Mr. Sharif. That was intended to be the recognition of Mr. Desai's role as the Prime Minister, in 1977-79, when he sent his External Affairs Minister, Mr. A.B. Vajpayee, to re-start, after a gap of 15 years, the dialogue at the level of Foreign Ministers.

However, Mr. Vajpayee's party, the BJP, now takes a very dim view of the contacts with the Pakistani rulers. The BJP was so incensed by the recent resolution of the Pakistan National Assembly on Ayodhya that it wanted Mr. Rao to call off his Jakarta meeting with Mr. Sharif. That the Prime Minister did not accept the suggestion—and even chose not to react to the BJP's plea on his return, even in the face of persistent queries by correspondents—is another matter.

### **Commentary Says Pakistan Violates Sindhis' Human Rights**

*BK1810132492 Delhi All India Radio General Overseas Service in English 1010 GMT 18 Oct 92*

[Ashutosh Das commentary]

[Text] During the last two years, Pakistan has witnessed unprecedented human rights violations, massively-rigged elections, acts of brutality against political opposition, censorship and harassment of the press, kidnappings and murder of political opponents, and most recently the use of politically-motivated government gang-rape as a method of political coercion. Two-nation theory has failed miserably. The country is plagued by sectarianism, mullahism, and factionalism. The people of Sindh live under terrible socioeconomic conditions and constant threats from the Government of Pakistan in Islamabad.

In keeping with the past practice, Pakistan has again opted for the use of force to resolve the Sindh crisis. Operation Blue Fox in Sindh is reportedly the answer of the Pakistani establishment to the nationalism brewing for long in the province. The army has been given free hand to wipe out the Sindhi nationalists, dubbing them as dacoits [robbers], terrorists, et cetera. The Tando Bahawal tragedy, the death in custody of Yusuf Jaharani, Ali Haider Shah, Ali Asghar Niragoh, Waris Niragoh, the women of Bahri Shah, and hundreds of Sindhi youth indicated a beginning of oppression of the national consciousness of the Sindhis.

A detailed report prepared by a three-member fact-finding mission of the Sindh Awami Tehrik headed by Rasul Bux Paleejo on the violation of human rights of the Sindhis since the launching of Operation Blue Fox by the army in Sindh has brought out some startling and nerve-shattering disclosures regarding killing, torture and ruthless humiliation of innocent Sindhi villagers at the hands of army men and personnel or other law enforcing agencies during army raids on several villages in different parts of Sindh as the part of the operation. The fact-finding team has come to the conclusion that repeated recurrence of such inhuman acts could just be by chance, but seems to be a well-thought-out policy of the rulers aimed at terrorizing the Sindhi people to such an extent that in future they will not even dare to raise a finger when democracy is bulldozed or when human rights are violated at a massive scale in the province.

The Sindhis are being terrorized in such an inhuman and uncivilized manner that they will not dare to protest in

case they are deprived of their historical rights by the conducting of a bogus census or when the Bihari Muslims in Bangladesh are settled in Sindh. Quoting an incident which took place at (Kankote) city in which a group of army officers became furious with the Sindhi contractor, reports say the army officers in their anger shouted the following words at the Sindhis: You Sindhis are liars, your heart and your religion are fraud and false. All you Sindhis are kafirs [infidels].

Many U.S. Congressmen have written to Mr. James Baker, the then U.S. secretary of state; Prime Minister Nawaz Sharif; and General Asif Nawaz, the Pakistani Army chief; expressing their concern over the flood of reports regarding human rights violation in Pakistan. According to the Washington correspondent of the DAWN of Karachi, at least three powerful congressional committees have written strong letters of condemnation to the prime minister, Mr. Nawaz Sharif.

The latest to write to him is congressman Jim Moody, Democrat, Wisconsin, of the House Ways and Means Committee. In another letter to Mr. Baker, Mr. Moody has urged the U.S. Administration to raise the issue of human rights violation by the Government of Pakistan. He has stated in this letter: I have had occasions to meet recently with a journalist from Sindh, Mr. Mohammad Isque Tunnio. His charges, which have been supported by the Amnesty International, of physical abuse and intimidation against him as a journalist carry profound implications for not only individual incident of human rights violation, but also of an attempt to suppress the press.

### **Issue of Repatriation of Bangladeshis Viewed**

#### **Desperately Poor, Displaced**

*93AS0020A New Delhi JANSATTA in Hindi 11 Sep 92 pp 1, 10*

[Article by Kumar Sanjay Singh: "Now the Bangladeshis Face Displacement and Uncertainty"]

[Text] New Seemapuri, 10 September—The Bangladeshis who have become part of the inhabitants of this region are very scared. Yesterday, 132 of them were sent to Bangladesh via Calcutta. The police have demolished some of the huts left vacant by these Bangladeshis. Anyhow, there are so many rumors afloat that any time these people see a stranger in their alley, they get scared and suspicious.

Twice before this incident, Bangladeshis were sent back from here. However, unlike the previous times, no one accused the police of demanding money. During the two last operations, the police were openly accused of making a lot of money. This time again, some basic mistakes were repeated. As a result, these efforts proved to be useless.

The greatest flaw in this joint effort by the immigration office and the police was lack of efficiency. If they had a system for identifying Bangladeshis, it was not practical. The police picked up people on their way to whatever

they were doing or picking up trash. The biggest mistake was that, just like in the past, these people were sent but their families were allowed to remain here. Therefore, there is the fear of their return. Several such incidents have already been reported.

Mujibur Rehman, who lived in F Block, is one of these people who was extradited. His wife Mainu (26), son Rashid (6x), and daughter Majida (6 months) are still here. According to Mainu, her husband went out to buy milk yesterday. He sent the milk with someone and went out to the market area where the police picked him up. Mujib ran a small flea market here and was from the Inderkhuni precinct in Borisar district of Bangladesh. Mainu said that she went to Seemapuri police station yesterday, but no one paid any attention to her request. Mainu also confirmed that no policeman asked her for money. In addition to Mujib, there are Khalid, Shamshuddin, Rafiqulla, Kamal, Subhan, Abdul Rashid, Mohammad Qasim, and many other people who were sent to Bangladesh while their families are still here. Khalid's wife and two children are still living in F Block huts. Shamshuddin, who is a flea marketeer from Khulna district, have his wife and six children still here. Rafiqullah (15) was put on a train yesterday while his parents and brothers and sisters are still here. Kamal's wife (20), one child and mother are still in F Block. Kamal's younger brother, Subhan (17), left with him. Abdul Rashid of D Block was deported but his wife and four children are still here grieving for him. The wife and five children of F Block's Mohammad Qasim are still there in the hut.

We cannot expect any realistic results from such a haphazard approach. The government has not been able to assert any policy on either the people who were sent away or the people who are still living here. Except for two or three families, all other people were deported just to fill out some paperwork. Their families, which include women and children, are fully optimistic about the return of the heads of their households. Those who were left here do not understand the system. A Bangladeshi who has been doing business here as a flea marketeer for 20 years and has built a brick home says that these people should have been given a warning before being sent back so that they could sell their homes and other things and return with their families. This person made this statement on assurance that his name would not be disclosed. Many wealthy Bangladeshis like him are worried because of the uncertainty surrounding them.

Since yesterday there has been a rumor that some criminals in the area are looking for the opportunity to seize the homes left by the Bangladeshis. It is said that the police have been moving people around in the past too, but have been letting them stay by "taking something." No money was involved this time. However, by not deporting the whole family, the police have confused the whole issue.

According to a rough guess there are about 25,000 to 30,000 Bangladeshis in the northeastern district. A village council filed an appeal in the high court requesting

citizenship for these Bangladeshis on the basis of having rations cards or voter registration. This appeal was rejected by Judges Sunanda Bhandari and Anil Dey based on the evidence presented by the court. The appeal was dismissed on 27 August. The Bangladeshis can present voter registration and rations cards as proof. Some people have presented another argument in their favor. They said that the people living here are those who earlier had vasectomies. The government had allotted plots of land to those who had volunteered for vasectomy operations!

### Should Be Repatriated

93AS0020B New Delhi JANSATTA in Hindi 11 Sep 92  
p 4

[Editorial: "Send The Bangladeshis"]

[Text] The repatriation of 132 Bangladeshis from Delhi was not an unprepared action. According to the government, this is a standard process to stop illegal entry into our country. Bangladeshis have been deported before this incident, too. This seems to be getting attention because of the consistency in implementing this practice. The police say that this action was taken based on court orders because those who were sent back were given warnings by the court. The case has now been closed. In the past, only 20 or 30 people were repatriated. This was the first time that such a large number of people were sent back. Bangladesh Prime Minister Khaleda Zia claimed during her visit to India that she did not think even one Bangladesh citizen was illegally living in India. Some people believe that the repatriation activities were accelerated because of Khaleda Zia's statement. However, this action is being taken more because of some anti-Bangladesh campaign of some political parties rather than because of the Bangladesh prime minister's statement. The BJP (Bharatiya Janata Party) and the Forward Block have started campaigns in Assam, West Bengal, and Bihar against the state governments for their lack of work in this area, and it was feared political confrontation over this issue might now increase in Delhi. The BJP has started to make lists of illegal immigrants under the pretext of establishing a voter identification system in slum areas. This made it imperative for the government to show its efficiency in repatriation efforts.

However, it would be wrong to assume that the Indian Government has made a major change in its policy to expel illegal Bangladeshis. The Assam prime minister issued a statement recently alleging that the 2.5 million Hindus in Assam are Bangladeshis. He did not find it appropriate to give details about illegal immigrants. It is obvious that the Assam government is using these illegal immigrants as a crutch to keep its political hold on the state. It is alleged that hundreds of thousands of voters in the state are actually illegal Bangladesh immigrants. These immigrants have united recently to develop political clout and the government is afraid of taking any major action. A leader in Bihar was assassinated in recent demonstrations against the illegal immigrants. As



long as the majority party, Congress (I), views these illegal immigrants as a vote bank, there will be no major action to return hundreds of thousands of illegal Bangladesh immigrants. The tension in border areas is increasing as the Bangladeshis constitute 40 to 45 per cent of the population. There is fear that tension in some states might change into ethnic violence. The ruling parties will lose control of the situation if this happens. If there is a polarization over this issue, the non-Bangladeshis will also be affected by this. Therefore, it is in the interest of our nation that the government adopt broad and effective policies in removing the names of these illegal immigrants from voter lists and sending them back to Bangladesh. Otherwise, there will be another reason for friction in the already tense atmosphere.

#### **Congress Party Said 'Supporting' Bangladesh Immigrants**

*BK1410043792 Delhi INDIAN EXPRESS in English  
3 Oct 92 p 5*

[Text] New Delhi—The clash between illegal Bangladeshi immigrants and the police on Thursday in New Seemapuri was engineered by activists of the ruling party with the sole intention of warning the authorities not to deport these immigrants.

According to the Intelligence Bureau report which came up with this finding, the situation is quite volatile and warned that unless political interference is checked, there could be more violence from pockets where Bangladeshi immigrants are living.

It is a well known fact that all political parties, in cash and kind, aid the jhuggi [slum] clusters in the Capital with the purpose of using them as vote banks. As far as the near four lakh Bangladeshi immigrants are concerned, it has been mainly the Congress, over the years, that has been supporting them so that they stay as their vote banks.

Of recent, the Janata Dal, as "champions" to the cause of the minorities and weaker sections, has been wooing them. The BJP [Bharatiya Janata Dal] has no chance as it is insisting, albeit for its own political ends, that all Bangladeshi be deported.

Pictures of Indira Gandhi and Rajiv Gandhi adorning almost every jhuggi in New Seelampur is more than enough to suggest who or which party has been patronising them. "It has been the Congress and Indiraji who have been supporting us since the days the first lot of us arrived in India over 15 years ago," said one Bangladeshi requesting anonymity. "We have ration cards and our names figure in the voters list. I myself have voted in the last four elections," said a Bangladeshi. Thanks to the Congress-I, almost all the Bangladeshis have ration cards and names on the electoral votes.

It is indeed a strange situation as on the one hand, it is the Congress-I government at the Centre which is deporting these immigrants while it is the same party which has been patronising them for years.

As a result, Mr. H.K.L. Bhagat, who has been the immigrants' patron, is not finding it easy to reassure them that nothing will happen to them.

Senior police officials admitted that there has been some political pressure on them to go slow on the deportation drive.

#### **Internal Affairs**

##### **Tiwari Accuses V.P. Singh of Supporting LTTE**

*93AS0026C Madras INDIAN EXPRESS in English  
17 Sep 92 p 9*

[Text] New Delhi—Congress leader K.K. Tiwari, on Wednesday accused Mr. V.P. Singh, former Prime Minister and the Janata Dal leader of making attempts to organise support for the LTTE [Liberation Tigers of Tamil Eelam].

In a press statement issued here, Mr. Tiwari said that by attending a convention organised by the P.M.K. [Pattali Makkal Katchi] in Madras, Mr. Singh had emerged as a "kingpin of the forces which wanted to remove late Prime Minister Rajiv Gandhi from the political scene. The P.M.K., he said, is an "avowedly separatist organisation."

Mr. Singh had participated in a convention where resolutions eulogising the assassins of Rajiv Gandhi were passed. He asked the National Front leaders to make their positions clear on the issue.

##### **Karunanidhi Demands Prosecution of CM, Hints at Stir**

*93AS0026B Madras INDIAN EXPRESS in English  
17 Sep 92 p 3*

[Text] Madras—DMK [Dravida Munnetra Kazhagam] president M. Karunanidhi hinted on Wednesday, that he would direct his cadres to plunge into a massive agitation if the Governor failed to respond positively to the request for sanction to prosecute Chief Minister Jayalalitha on corruption charges.

Addressing DMK men after presenting the memorandum to the Governor, he said Wednesday's rally was not exactly aimed at either reinstalling him in power or even somebody from the DMK. "It is only to unseat this lady whose corrupt deeds have reached monstrous proportions."

The Governor is said to have assured the DMK delegation that the memorandum would be carefully gone through.

##### **Huge Rally**

The DMK took out a huge procession on Wednesday from its headquarters in Teynampet to Raj Bhavan and presented a memorandum to the Governor seeking sanction to prosecute Chief Minister Jayalalitha on charges of corruption.

The processing was led by DMK president M. Karunanidhi, general secretary K. Anbazhagan, treasurer Sadiq

Pasha, deputy general secretary Nanjil Manoharan and Murasoli Maran, MP. The leaders met the Governor and submitted the memorandum.

Party volunteers in hundreds of vans and lorries shouted slogans against the Chief Minister and TNCC [Tamil Nadu Congress Committee] president Vazhapadi Ramamurthy.

The procession started around 3 p.m. and ended at 7 p.m. Elaborate security arrangements had been made for it and traffic was diverted for almost six hours from noon.

A public meeting was held later at Velachery.

### **Tamil Nadu: DMK Presents List of Charges Against CM**

93AS0026A Madras *INDIAN EXPRESS* in English  
17 Sep 92 pp 1, 3

[Quotation marks, figures as published]

[Text] Madras—DMK [Dravida Munnetra Kazhagam] president M. Karunanidhi on Wednesday presented to Governor B.N. Singh a list of 18 charges of corruption against the state government and sought his sanction to prosecute Chief Minister Jayalalitha, her cabinet colleagues and public servants implicated in the list.

The application charged that corruption levels during the present regime had reached "Himalayan heights," with bribe amounts being no longer limited to lakhs of rupees, but touching crores. The 18 charges listed included the irregularities committed in the purchase of TANSI land for Jaya Publications, "fraud in foreign exchange through TAMILNADU, monthly 'mamool' of Rs. 4 crore from liquor barons, and l'affaire Sri Ramachandra Medical College."

It said the AIADMK [All India Anna Dravida Munnetra Kazhagam] which had ridden to power 'in a flash' on the sympathy wave after Rajiv's assassination, had lost its "popularity and goodwill in a flash" because of its anti-people policies, repression, authoritarianism and looting of the exchequer. Ms. Jayalalitha had converted "the bureaucracy, which is famous all over India for its talent and efficiency, into hand-maids of maladministration."

The application charged that the government headed by her had earned a nickname of '10% government,' as this was the percentage of commission which had to be paid. As a result of "monumental corruption," development activity had come to a standstill and a 'death-blow' had been dealt to the administration. "The larger-than-life-size cut-outs of the Chief Minister metaphorically denote the larger than life-size corruption practised in her regime."

"Goondaism has become a daily phenomenon under the Jayalalitha raj, and in the city of Madras, it is practised under the able guidance, supervision and protection of two cabinet ministers with the result shop-lifting, way-laying, house-breaking and ambushing innocent people

and robbing them of their possessions have become common. Gang warfare leading to murders by those involved in illicit liquor trade is growing day by day. Recently it had led to the murder of a policeman on duty."

The list of charges, signed by Mr. Karunanidhi, Mr. Murasoli Maran, MP [member of Parliament], party general secretary K. Anbazhagan, treasurer S.J. Sadiq Pasha and deputy general secretary Nanjil K. Manoharan, also cites increasing thefts in temples, foisting of false criminal cases on political activists including those of the DMK [Dravida Munnetra Kazhagam]. "Death, torture and rape in police custody have become common and no prompt action is taken against custodial violence and human rights are considered as trifles."

[Boxed item]

### **The List of Charges**

1. Alienation of TANSI land at throw-away price to Jaya Publications.
2. Foreign exchange racket by TAMILNADU and collection of bribes from granite exporters.
3. Monthly 'mamool' of Rs.4 crore from 'liquor barons'.
4. Return of the state-owned EMPEE Distilleries to its erstwhile owners.
5. Restoration of the SRMC [expansion not given] to the Udayar trust.
6. Favouring Udayar's B&C mills for school uniforms at the cost of co-operatives and khadi.
7. SPIC [expansion not given] security scam.
8. Diverting funds from the joint sector TN Petro Products for reviving Standard Motors.
9. Collection of bribe for retrospective reduction of omni-bus taxes.
10. Rice hulling scandal.
11. Scandal in sanctioning teacher training institutions.
12. Scandal in awarding TNEB [expansion not given] tenders.
13. Scandal in awarding PWD [Public Works Department] contracts.
14. Contracts without tenders in Nehru stadium.
15. Soya beans flour deal in the noon meals scheme.
16. Scandal in buying equipment for the graphite unit.
17. Scandal in buying TRAX jeeps.
18. Accumulation of properties by the coterie around the Chief Minister, including her confidante, Mrs. Sasikala and her family. [End boxed item]

Releasing the list of charges to the press, Mr. Karunanidhi said this was the first list and another would follow.

The application sought permission for prosecuting the Chief Minister, her cabinet colleagues and public servants under the Prevention of Corruption Act, 1988, the IPC [Indian Penal Code], the Code of Conduct for ministers, etc.

The application also requested the Governor to ask the Comptroller and Auditor General of India to call for the relevant files and records and ensure a special audit.

**Details of charges:** The "illegal purchase" of TANSI land by Jaya Publications, tops the list of charges.

The allegations relating to the TANSI deal are: as the Chief Minister had not relinquished her interest in the partnership firm the purchase was a clear violation of the code of conduct for ministers. The property was purchased by Jaya Publications "for a value far less than the value prescribed in the guidelines as on 1-4-1992, i.e., Rs.7,91,040 per ground." The Chief Minister's firm by "stage-managing a fake tender procedure, has purchased the property for a consideration of Rs.1,82,13,150 thereby defrauding the exchequer."

The second major charge relates to the canalising of granite trade through Tamil Nadu Minerals Ltd. (TAMIN). "Exporters are asked to pay Rs.3,000 per cubic metre for getting relevant permits." TAMIN resorted to under-invoicing while exporting granite. TAMIN did not call for global tenders for exporting granite to M/s MAGTI of Italy. Granite was exported to the same company for the same old price. "This crime attracts the Foreign Exchange Regulation Act also."

Excise duty on ordinary brands of IMFS was fixed at Rs.40 per litre by the present government. For medium brands the excise duty was Rs.70 and for premium brands Rs.85. Simultaneously, the selling price was allowed to be increased. "The purpose behind the move was to effect a sharp increase in the profit margin of the few IMFS [expansion not given] manufacturers. The 'mamool' from liquor barons came to Rs.4 crore a month, according to the memorandum.

Empee distilleries, attached to TASCO [expansion not given] as a brewery unit by the DMK government, was returned to the private company "for pecuniary advantage" without public auctioning or inviting tenders. Similarly Southern Agrifurane Industries Ltd. (SAFIL), a joint sector venture engaged in manufacturing IMFS and making huge profits "has been transferred to the promoters, viz. A.C. Muthiah group in a secret manner without calling for tenders or auctioning."

The government did not argue its case in the Sri Ramachandra College case effectively and "allowed the other side to confuse the court and twist the facts." It returned the college to its founding trust without securing the opinion of either the Advocate-General or the Attorney General of India. "For this shady deal a sum of Rs.40 crore has changed hands."

TIDCO [expansion not given] disinvested shares from SPIC resulting in a loss of "more than Rs.54 crore at the very least." The disinvestment was in violation of an

existing GO and the bribe money was "Rs.9 crore as one-time payment and a share in the loot every month."

Funds were diverted from the joint sector venture, TN Petroproducts, to Standard Motors to the tune of Rs.6 crore.

The memorandum also charged that "crores of rupees of bribe" received by the coterie around the Chief Minister had been used to buy up properties by the family members of her confidante, Mrs. Sasikala Natarajan.

Tenders were not called for the Rs.16 crore order for school uniforms placed with B and C Mills, the modernisation of Nehru Stadium, purchase of soya beans flour for the noon-meal scheme and the order for Trax jeeps.

Retrospective reduction of omni-bus taxes involved a bribe of Rs.6 crore, and revision of hulling charges from Rs.9 to Rs.15 per quintal of boiled rice and from Rs.8 to Rs.13 per quintal of raw rice involved Rs.1 crore in bribe.

Recognition was granted to about 170 new teacher training institutes bypassing the officers of the education department, and the bribe money was Rs.5 crore.

The TNEB [expansion not given] entrusts work to any contractor who gives a 10-per cent commission. The PWD [Public Works Department] Minister allots tenders valued at Rs.1 lakh or above to whoever gives a ten percent cut.

The memorandum also questioned the acceptance of the highest tender for buying equipment for the graphite unit.

The memorandum wondered how the Chief Minister was repeatedly making donations running to several lakhs of rupees in her personal capacity while she had quit acting long ago and she was drawing a salary only one rupee.

Appealing to the Governor to grant sanction within 15 days for the prosecution of the Chief Minister, the memorandum referred to a Supreme Court judgment in Mr. Antulay's case and argued that the Governor could act on his own without seeking the aid and advice of his council of ministers.

### Two Political Parties To Reunite in Assam

BK2010104692 Delhi All India Radio Network  
in English 0830 GMT 20 Oct 92

[Text] In Assam, the Asom Gana Parishad [AGP], erstwhile ruling regional political party, and its breakaway faction, Notun Asom Gana Parishad [NAGP], have decided to reunite. In a joint statement issued in Guwahati yesterday, the AGP president, Mr. P.B. Chalaya, and the NAGP president, Mr. Pulakesh Barua, said that the representations of the two parties have agreed for reunification.

### **Congress-I Welcomes Punjab Election Results**

93AS0041A Bombay THE TIMES OF INDIA  
in English 8 Sep 92 p 17

[Article: "Punjab Poll Vindicates Rao's Move: Gadgil"]

[Text] New Delhi, Sept. 7. The results of the municipal elections in Punjab, in which 70 percent of the electorate exercised their franchise, fully vindicated the wise and courageous decision taken by the Prime Minister to restore democracy in the disturbed state, the Congress spokesman, Mr. V.N. Gadgil, said here today.

Mr. Gadgil said the victory of the Congress and several other parties supporting it in 70 of the 95 municipalities and of Congress-supported candidates in 298 wards clearly demonstrated the preeminent position of the party in the elections in which all other recognised parties participated.

The Congress success, Mr. Gadgil said, was all the more significant in the present elections because unlike the case in the assembly poll held sometime ago, the participation now was fairly widespread and no section of the public or any political party had refrained from taking part in this battle of the hustings.

The election results were a clear testimony of the fact that a wind of change was blowing across the violence-ridden state now and all right-thinking people would welcome this development, the Congress spokesman added.

Regarding the situation in Andhra Pradesh, where the AICC [All India Congress Committee] had recently sent observers, Mr. Gadgil said while Mr. Motilal Vora, former Madhya Pradesh chief minister, was still in the state studying the situation, two of the other three observers would return to Andhra shortly to complete their task. The observers would submit their report about the political situation in the state and about their efforts to bring about a rapprochement between dissidents and the state chief minister, Mr. Janardhan Reddy, to the Congress president, Mr. P.V. Narasimha Rao.

Answering questions on the proposed Naroda-type camp to be held in Pachmarhi, Mr. Gadgil said the final decision on its timing had still not been taken. The party would decide about the timing, keeping in view the

Prime Minister's convenience. But most probably it would be held either in the third week of September or in early October.

Mr. Gadgil said the importance of the camp should not be underestimated. In the past, most of the important policy decisions taken by the party had first been debated at such sessions of the party ideologues.

### **New Akali Dal Party Formed in Punjab**

93AS0039A Bombay THE TIMES OF INDIA  
in English 12 Sep 92 p 13

[Text] Amritsar, September 11—The Akali Dal (Mann) has suffered a jolt with two of its senior leaders, Mr. Dhyani Singh Mand, former MP [member of Parliament], and Mr. Gurtej Singh, former IAS [Indian Administrative Service] officer, deciding to join the newly-formed Akali Dal (Manjit).

Both the leaders have been included in the list of office-bearers of the Akali Dal (Manjit) which was announced by its chief, Mr. Manjit Singh, today.

Mr. Mand has been a close associate of Mr. Mann and was elected MP on the Akali Dal (Mann) ticket in the 1989 elections. Mr. Gurtej Singh, who quit the IAS after "Operation Bluestar," was the general secretary of Mr. Mann's party.

Mr. Manjit Singh told reporters that more leaders were expected to join his party after leaving the other Akali Dal factions. He, however, declined to name the leaders.

He announced the names of 26 office-bearers of the party besides 37 members of the executive, most of whom were active members of the AISSF [All India Sikh Students' Federation] earlier headed by him.

Mr. Manjit Singh said his party would not take part in the Chhappar fair where Mr. Mann had called a meeting of leaders of the Panthic organisations. He regretted that Mr. Mann did not consult other Panthic leaders before announcing the programme. Mr. Prakash Singh Badal had already announced that he would boycott the meeting.

Parrying questions on the party's intention of participating in elections, he said he would soon apply for the registration of his party with the election commission.



**Foreign Exchange Reserve Remains Stable**

93AS0034A Madras *THE HINDU* in English 6 Sep 92  
p 6

[Text] New Delhi, Sept. 5—The surge in imports and the widening trade gap have not so far affected the country's foreign exchange reserves which have remained stable, according to sources.

Though imports rose to \$5.5 billions and the trade gap widened to \$1.5 billions in the first quarter (April-June) of the financial year 1992-93, and with no immediate possibility of imports receding, the foreign exchange reserves rose to \$6.3 billions on August 21, 1992. This was \$900 millions higher than the \$5.4 billions level in April 1992, the sources said.

At one stage the accretion to foreign exchange reserves was nearly one billions. It was not known whether the current rising trend could be maintained in the remaining part of the fiscal year. But the increase in reserves indicated restoration of confidence in official policies particularly those relating to exchange rate the sources said. While it could be argued that much of the accretion might be due to loans from international lending institutions, official sources said it was not entirely so as rising imports should have otherwise eroded the reserves.

In this context, the sources said, there had been a marked change in the mechanics adopted and on current basis the economy was doing all right. While the IMF loan of \$3.2 billions taken in the early 1980s was "spent," the loan taken in 1991-92 has been "kept." The confidence restoration theory confirmed this trend.

The Planning Commission member, Dr. C. Rangarajan, told this correspondent that "The fact that reserves have remained strong does indicate that on a current basis we are able to meet the requirements. Even with a trade deficit of \$1.5 billions in the first quarter the reserves have been maintained which showed that invisibles particularly remittances were doing well." Besides, tourist arrivals had also picked up. On a month to month basis between April-July 1992 compared to the same period in previous three years (1989, 1990 and 1991) foreign tourist arrivals were higher by 15 percent.

As for exports, it was pointed out that they always came in after remittances firmed up. But rising reserves could also have an uncomfortable impact through the money supply route.

The aggregate money supply growth or M3 between March 31 and August 7, 1992 rose by 7.5 percent against the full year growth target at 10 percent. This was in comparison higher than money supply expansion in the corresponding period of 1991. Much of the current fiscal year's expansion was due to expansion of reserve money which in turn was due to accretion of net foreign exchange assets recorded in the last five months. The other inflationary instrument, namely net RBI [Reserve Bank of India] credit to the Government, had reportedly been kept under leash. But for how long?

Sources said that in the current year's budget the Government had assumed a resource mobilisation of Rs. [rupees] 3,000 crores through disinvestment in public sector undertakings. While nothing had happened so far, the sources were confident that if the Government succeeded in raising this amount, its requirement for money from RBI would come down. If there was an unbridled growth in money supply then perhaps there would have to be a readjustment of the Cash Reserve Ratio (CRR) of banks.

While these were immediate term measures, on a longer term the mechanics would have to be altered more drastically. According to a top official the economic restructuring programme depended both on quick increase in exports and substantial pick up in investment. This, in turn, called for a change in savings strategy and subsequent deployment of funds in productive sectors. India's current savings rate of 23 percent was not high compared to its East Asian neighbours.

If India's savings rate could be raised to 30 percent, investment growth rate could rise to 7 percent even without efficiency improving. Since the country required higher investment, there was an automatic need for higher savings. But these savings instead of being appropriated largely by the Government, through banks investing in official securities, should go into investment channels. For this, the savings mentality of the people would have to be changed. In this context, the source said that in the next two years most of the tax incentives for savings including Section 88 covering LIC policies might have to be discontinued.

Thus in a longer term scenario, there would have to be a competition for attracting savings without the tax incentives. At the same time this would have to be accompanied by changes in the monetary policy.

**Reserve Bank Releases 1991-92 Annual Report****Lower Growth Rate Forecast**

93AS0033A Bombay *THE TIMES OF INDIA*  
in English 7 Sep 92 p 15

[Text] Bombay, September 6 (PTI)—The country's economy faced a distinct slowdown during 1991-92 as the real gross domestic product (GDP) growth expected to hit the lowest level of less than 2 percent since 1980-81, the Reserve Bank of India (RBI) has said, while pinning hopes on revival in agricultural and industrial spheres to spur the economy during 1992-93.

Painting a gloomy picture of 1991-92 in its 215-page annual report for the year, the RBI said the low growth scenario was highlighted by a one percent fall in agricultural output and stagnation in industrial production for the first time since 1979-80, which rose by a fractional 0.1 percent.

The report said though the foodgrains production was expected to improve during 1992-93 over the previous year's output of 161-171 million tonnes, the 183 million

tonnes target might be difficult to attain, but projected a moderate industrial growth rate at around four to five percent.

The overall real GDP growth, which was 5.6 percent during 1990-91 and 5.5 percent from 1980-81 to 1990-91, was expected to be around 3.5 percent during 1992-93, it said.

The report said sustained progress in agricultural production, witnessed for the last three years in succession, could not be maintained during 1991-92 mainly because of delayed and spatially unfavourable distribution of the monsoon.

On agricultural prospects for 1992-93, it said the delayed southwest monsoon during the current year, which initially created considerable apprehensions about crop prospects, turned out to be quite favourable as the season progressed.

While a fair degree of resilience had been achieved by the agricultural sector over the years, the increase in per capita per day availability in foodgrains was still not too significant, the report said, noting the figure of 455.1 grammes during the five-year period 1981-85, had risen to 474.8 grammes during the next five-years period 1986-90 or by 4.3 percent.

The report said the stagnation of industrial output in 1991-92—after a growth of about 8 percent per annum in the past decade—was far worse than what was expected in the context of the stabilisation policies.

In particular, the import compression measures, credit restraint and fiscal adjustment, leading to a reduction in public sector demand for goods and services and expectations regarding exchange rate changes and customs duty reductions, contributed to slippages in production and investment activities.

The import intensity of the economy, though generally low, had been higher than perceived and the import compression measures seemed to have affected production activities over a wide spectrum of industries, the report observed. However, now that the reform measures had been clearly set out and the availability of imports, as also bank credit, had been fully restored, a pick-up in industrial investment and output could be expected during 1992-93.

A matter of concern for the RBI had been the persistence of strong underlying inflationary potential in the economy, the report said and stressed that bringing down the inflation rate of 8 percent in 1992-93 should be the central objective of the overall economic policy.

The foreign exchange assets which dipped to a low of \$975 million (Rs 2,492 crores) as on July 12, 1992, made a remarkable recovery to attain the level of \$5,631 million (Rs 14,578 crores) by the end of March 1992.

As regards the immediate external sector scenario, the report said, while the trauma of the external liquidity

crisis had been swiftly overcome, the question of fundamental disequilibrium on the balance of payment (BoP) front still remained.

With the virtual removal of restrictions on imports, barring a small negative list, the report expected a spurt in imports in 1992-93 with beneficial effects on exports and hopefully, the rate of growth of the economy.

It said the time-table for introducing full convertibility of the rupee for the current account transactions would have to be carefully chalked out keeping in view the macro-economic, including the budgetary, implications of such a decision and the need to increase incentives for exports and remittances.

Moreover, there should be a legal ban on government borrowing from all sources beyond a certain ceiling with a sub-ceiling on borrowing from the RBI, the report said.

It was also necessary to consider the re-introduction of a "consolidated sinking fund" to redeem public debt which would go a long way in establishing long-term viability of government borrowings.

The report cited the need to complete economic reforms in general, including trade, industry and fiscal, as quickly as possible.

By and large, Macro-economic reform of the recent period had been managed satisfactorily though there were serious concerns about the basic infrastructure, the report observed and also referred to the hiatus between policy formulation and implementation at ground level.

[Boxed item] The Reserve Bank of India now looking afresh at its own operations and organisational structure and staffing in the aftermath of the securities scandal, has advocated that the pace of financial sector reform be hastened, stressing that the irregularities should not put the clock of reforms back.

In its 1991-92 annual report, the RBI said a link between financial liberalisation and irregularities would not be tenable and noted that the financial sector reform was intended to enforce better financial discipline.

The report said the avowed objective of the RBI and the Union government was to restore confidence, both in India and abroad, in the country's financial system which, it said, would become stronger and much more efficient by undertaking appropriate follow-up measures in the light of the recent "unfortunate episode."

In the light of the ramifications of the detection of the irregularities, the RBI was, in particular, modernising its operations, strengthening its operational efficiency and establishing a regular and systematic economic intelligence apparatus.

Coupled with this, a strong supervisory authority under the aegis of the RBI which would have powers of comprehensive supervision over banks, financial institutions and non-banking financial companies, was being instituted, the report said. [end boxed item]



### Further Details Given

93AS0033B Madras *THE HINDU* in English 7 Sep 92  
p 6

[Text] Bombay, Sept. 6—The Reserve Bank of India seems to be against cutting bank lending rates till inflation comes fully under control.

The RBI view, according to its annual report (1991-92), is "the interest rate weapon has to be flexibly used against the backdrop of inflation behaviour. The real rates of interest have been positive and kept consciously so to fight inflation. There is a case for persisting with the existing rates until the abatement of inflation is found to be of an enduring nature. As such there is a need to persevere with the present lending rates until monetary expansion slows down and there is an enduring reduction in the inflation rate. Monetary policy during 1992-93 has the unenviable task of bringing about a drastic reduction in overall liquidity without curtailing the resources available for reviving economic activity. While there are always multiple objectives, ultimately the mission of the RBI has to be to steer monetary policy with its sights set firmly on inflation control," says the report.

For the interest policy to be effective, fiscal deficits have to be moderated. The RBI has been taking a consistent stand that its "accommodation should take the form of only ways and means advances up to an agreed level which should be cleared at the end of each year. "Excessive reliance on RBI credit has led to monetary instability" and as a cure the RBI has pleaded "for a law restricting the extent to which the Centre can run a deficit and moreover there should be a legal ban on the Government borrowing from all sources beyond a certain ceiling with a sub-ceiling on borrowing from the RBI."

The upsurge in the Central Government's borrowing in the 1980s, rise in coupon rates on government securities and the compression of maturities have led to bunching of repayments and unlike in the past, in the foreseeable future, repayments could by far outstrip fresh loan floatations, warns the RBI report released on Saturday. It suggested "reintroduction of a Consolidated Sinking Fund to redeem the public debt. It is unfortunate that this salutary system of redeeming the government debt was dispensed with; an early introduction of this system would go a long way towards establishing long-term viability of government borrowing."

Recourse to foreign aid: If domestic borrowing has created problems, recourse to foreign aid has also put pressure on the balance of payments. The country's external debt, inclusive of non-resident Indians' deposits, is placed at \$70 billions or Rs. 105,000 crores as of March 31, 1992 with an increasing proportion of debt being on commercial terms or high interest bearing. "On the basis of current trends, it appears that the country's balance of payments will continue to be under pressure with a current account deficit of \$6 to 7 billions. Keeping in view the possible inflow of capital from

various sources, an exceptional financing need of the order of \$3 billions is envisaged," according to the RBI.

On financial sector reforms, the RBI contends "a reduction in CRR to more realistic levels is possible only when there are clear signs of an enduring abatement of inflationary pressures in the economy. "An important feature of the CRR regime is the payment of interest on cash balances and the RBI stand is "it is better to prescribe a low CRR without interest rather than a high CRR with high interest. The dilemma is that the CRR adjustment alters the assets of banks while the reduction in interest affects income of banks. Thus the level of CRR and interest rate on cash balances have to be finely modulated to ensure that overall bank profitability is not affected."

The RBI is in favour of cautiously cutting interest rates on a wide front "rather than a rapid deregulation of all rates in the system. The experience in a number of countries has been that too rapid a deregulation of interest rates and reserve requirements results in a loss of monetary control—something which the Indian economy can ill afford at this stage."

At the same time, freeing of interest rates in one segment with rates in other segments being generally regulated injects high volatility into the call money market. Since call money rates were freed in May 1989, there have been sharp fluctuations during any single reserve requirement fortnight. An issue in this context is whether the present system of maintenance of CRR by banks on the basis of a daily average for a fortnight has contributed to volatility. The RBI report sets out the problem saying, "whether the present system of maintenance of CRR by the banks on the basis of a daily average for a fortnight has contributed to volatility. While the present system of maintenance of CRR provides flexibility to banks both on the borrowing and lending sides, the very flexibility afforded to banks has contributed to volatility in the call money rate. In contrast, the SLR is required to be held on a daily basis with the liability being lagged by a fortnight as compared with the CRR liability date."

Many options: Various options are there to choose from. The liability date for both CRR and SLR could be the same with the two being maintained on each day. But the communication system now in place could throw up substantial lags and "a lagged reserve requirement attenuates the policy and therefore requires much higher levels to be prescribed," feels RBI. Any change in reserve requirements need a change in law. "While considering a basic change in the reserve requirements it would be best to first undertake the phased reduction in reserve requirements and then consider a fundamental change in the legislative framework," argues the RBI.

### Union Budget for 1992-93 Expected on 1 Feb

93AS0032A Bombay *THE TIMES OF INDIA*  
in English 9 Sep 92 p 1

[Text] New Delhi, Sept. 8 (PTI)—The Union budget for 1992-93 is likely to be presented on February 1 and the

entire exercise completed by March 31, with Parliament set to switch over to the committee system of dissecting the budget.

This follows adoption of the decision of the general purposes committee to create ten standing committees to make parliamentary activity more effective and the executive more accountable.

The government has decided to advance the date of the budget to enable a fuller debate in committees on the various proposals shelving the discussion on demands for grants of various ministries in parliament. The standing committees will consider the demands for grants of the ministries and make a report to the Lok Sabha within a month.

They will also consider Bills pertaining to the ministries as are referred by the Speaker and give a report on them to the House. These committees will also consider papers on basic, major and important policies, the annual reports and the reports on implementation of policies and other matters referred by the Speaker. On completing their task, they will report to the House.

Under the new system, after presentation of the Budget on February 1, there may be a general discussion in Parliament for a week and then the demands for grants may be considered by the relevant standing committees. The committees will submit a report to Parliament which would be considered by it and the discussions on the demands for grants will be conducted in light of the report. The standing committees will give a report within 30 days from the date on which discussions on the budget will be conducted. The entire budget would thus be passed on or before March 31 of every year.

#### Self-Sufficiency in Zinc, Lead Achieved

93AS0043A Bombay THE TIMES OF INDIA  
in English 15 Sep 92 p 15

[Article: "India Achieves Self-Sufficiency in Zinc, Lead"; figures as published]

[Text] Chittorgarh, September 14 (PTI): India has made a big leap forward by achieving self-reliance in zinc and lead with the successful commissioning of the integrated and largest Rampura-Agucha mining complex and lead-zinc smelter at Chanderiya in Rajasthan.

The Rs [rupees] 700 crores gigantic integrated project of the Hindustan Zinc Limited (HZL), completed within the time frame, would mine 3,000 tonnes of ore with 13.48 zinc and 1.93 percent lead content from the pit. It would be integrating with the Chanderiya smelter to produce 70,000 tonnes of zinc, 35,000 tonnes primary lead, 74 tonnes silver, 375 tonnes cadmium and 1,76,000 tonnes of sulphuric acid annually.

With the commissioning of this integrated project, HZL has been able to raise its production capacity to 1,49,000 tonnes of zinc and 65,000 tonnes of lead per annum. This production, besides meeting in entire domestic demand, would be available in surplus for export also.

Once an importer of these metals, India has now executed export orders worth \$1.5 million from countries like Pakistan and United Arab Emirates.

HZL, incorporated in 1966, has progressively added its mining and smelting capacities by opening eight mining units with a total mining capacity of 10,740 tonnes of zinc-lead ore per day and four smelting units with a total capacity of 2,14,000 tonnes of lead zinc metal per annum.

#### Petroleum Price Hike Viewed, Criticized

##### Government's Data Questioned

93AS0024A Madras INDIAN EXPRESS in English  
17 Sep 92 pp 1, 9

[Article by R. Sasankan]

[Text] New Delhi—The government's contention that the steep hike in the prices of petroleum products announced on Tuesday night was dictated by the widening deficits of the oil industry does not seem to be based on facts. It is also wide of the mark in its statement that the current prices of petroleum products do not recover the "full costs of operation involving exploration, production, processing and marketing."

Oil industry circles are highly critical of the manner in which the Ministry of Petroleum and Natural Gas decided the prices. The entire exercise is "half baked," said an oil industry executive who preferred anonymity. The industry does not seem to have been taken into confidence in deciding the new price structure which provides an incentive of Re [as published] one per litre of those who want to adulterate diesel with kerosene.

The government had been maintaining that the oil pool account was heading for a huge deficit and price hike of petroleum products was the only answer to reduce it. The deficit is artificially created because whatever surpluses that had accrued to the oil pool account had been eaten by the government.

The Ministry of Petroleum and Natural Gas was trying to hide this fact when it stated in its press note on Tuesday that the oil industry was in deficit. The same Ministry a few weeks ago sought the intervention of the Cabinet Committee on Infrastructure (CCI) for immediate release of funds totalling Rs [Rupees] 8,200 crore of Oil Coordination Committee (OCC) and Oil and Natural Gas Commission (ONGC) held up by the Finance Ministry. It also demanded allocation of funds from the whopping Rs. 16,411.27 crore mopped up as Oil Development Cess over the last 17 years. This fund was to be used only for the development of the oil industry. Where did this fund go? The Government cannot also deny the fact that OCC funds amounting to Rs. 7,400 crore, lying in public deposit, are not available to the oil sector. Of this Rs. 2,300 crore had been transferred by the Finance Ministry four years ago to the revenue account to reduce budget deficit. To prepare the ground for the increase in prices, the government concealed these facts and planted stories about the burgeoning deficit.

Having eaten the surpluses, the government was not in a position to revise the prices of crude to domestic oil companies like ONGC and Oil India. These companies have been getting a constant price of Rs. 968 per tonne since 1981. The World Bank and the Asian Development Bank which agreed to finance two oil and gas projects with two loans totalling \$750 million have been insisting on a higher price for domestic crude. With no funds in the oil pool account, the Government could not do it without increasing the prices of petroleum products. Surprisingly, there has been no announcement so far regarding a hike in the prices of domestic crude.

**Specious:** Equally specious is the argument that the current prices do not recover the costs of exploration, operation and marketing. Oil experts acknowledge that India could have sustained a substantially higher level of domestic crude production from the already producing fields. In the area of oil production, the government takes investment decisions on the assumption that a field lasts for 15 years. In oil parlance this is known as reserve to production ratio. In India many fields continue to produce for 20 to 23 years. Bombay High, the country's largest oil field, has been producing for nearly 15 years, but not more than 40 percent of the reserves had been produced. This means that Bombay High could have produced at a rate almost double the present level without violating the reserve to production ratio laid down by the Government. This in turn would have solved the country's balance of payment problem. The public is now being made to pay for the failure of the government and the oil producing agency on the production front. The Government, more particularly the Ministry of Petroleum and Natural Gas, picked up executives and bureaucrats who had no experience whatsoever in production to head ONGC. For the last two years, it has been busy revising down the production targets. Neither the Prime Minister nor the Cabinet Committee on Infrastructure bothered to deliberate on what was wrong with this prestigious public sector undertaking. Oil experts contend that if the huge investments made in Bombay High do not ensure the expected dividend it is not because of the pricing structure but because of the failure on the production front.

Another reason cited in support of the price hike is that the IOC has to raise dollars in market rate of finance imports over and above the already approved budget of \$5.1 billion for the current financial year. According to a version emanating from the Ministry of Petroleum and Natural Gas, oil import bill this year will be about \$6.4 billion. This is on the higher projected imports, the bill should not be more than \$5.6 billion this year.

The hike comes at a time when the international prices had declined to around [figure indistinct] a barrel (Dubai). Prices were ruling around \$20 a barrel in the early part of August. So the international price cannot be cited in support of the hike.

Oil industry has been facing the problem of large scale adulteration of diesel with petrol. Kerosene which is supposed to go to the weaker sections does not reach

them and finds its way to the thriving adulteration market. To put an end to this, the oil industry has been pleading with the government to hike the prices of kerosene on par with those of diesel. The Government ignored this and increased the price of diesel by Rs. one. The incentive for adulteration is up by one rupee now.

The Government timed the price increase announcement after the wholesale price index slid to single digit. Since petroleum gets a weightage of only 7 percent in the wholesale price index, the impact may not be visible in wholesale prices. But at the retail level it will have cascading impact. The cost of transport will go up immediately. This in turn will push up the cost of all commodities and services including vegetables.

### Jayalalitha Condemns Hike

93AS0024B Madras *INDIAN EXPRESS* in English  
17 Sep 92 p 3

[Text] Madras—Chief Minister Jayalalitha has condemned the increase in the prices of petroleum products announced on Tuesday.

The steep hike would adversely affect the interests of the common man who used bus transport, she said in a statement on Wednesday.

"Just at the time when the government of Tamil Nadu is taking all possible steps to stabilise the price line, the unilateral decision of the government of India in raising the diesel price has nullified, in effect, all the steps taken by the state government," she declared.

The hike in the price of diesel would increase the burden on the farmers, particularly in Tamil Nadu, where a large number of pumpsets were operated with diesel.

The increase in the price of LPG [Liquified Petroleum Gas] would affect the general public since it was widely used in urban, semi-urban and even rural areas as the cost of alternative fuel was very high.

"The overall effect of such a hike would be inflationary and is bound to adversely affect the total price structure in the economy, since the cost of transport throughout the country is bound to increase consequent to this hike in the diesel price," she pointed out.

She concluded the statement with an appeal to the Centre to reconsider the price hike and withdraw it.

### Hike Condemned

Industry and trade circles have strongly condemned the hike in prices of petro products.

In a statement on Wednesday, the Southern India Chamber of Commerce and Industry expressed shock at the "steep and sudden increase in prices of petroleum products." The increase, the fourth since 1989, had come at a time when the economic growth rate had sunk to a low of 2.5 percent.

The chamber felt that the rate of inflation which had been hovering around 16 percent last year and was currently around 8 percent, would have a cost-push



effect. The sudden increase in the prices of petro-products would affect all sections of the society.

In a statement, Hindustan Chamber of Commerce president P. Obul Reddy said the increase in the price of liquified petroleum gas (LPG) by Rs [Rupees] 15 a cylinder would affect the middle classes. He hoped that the government would reconsider its decision and limit the price hike to Rs. 5 a cylinder.

The BJP [Bharatiya Janata Party] in a statement, described the hike as "unjust." Unless the government withdrew the hike, it would have to face democratic opposition from the people.

The CPM [Communist Party of India-Marxist] said it was wrong to increase the prices of basic necessities.

The United Communist Party of India termed the hike unjustified and unwarranted. In a statement assistant secretary V. Rajamohan said it was nothing but a collective penalty imposed on the hapless people, who had to pay for the crime perpetrated by the top bureaucracy in the oil and gas sector.

INTUC president G. Ramanujam opined that the increase in the price of LPG and diesel would prove counter-productive. The hike would force people to switch over to firewood and charcoal, and lead to indiscriminate felling of trees.

The rise would increase the price of road transportation and consequently push up the prices of commodities. The government should reconsider the increase in the price of domestic gas and diesel, he said.

The Sindhi Chamber of Commerce, in a statement, criticised the tendency of the government to effect increase in prices of essentials in between budgets. This was bound to affect the cost planning of all industries.

The Tamil Nadu office of the Indian Communist Party said the common man was affected by the increase in the price of LPG. Such frequent changes in prices did not augur well for the people.

The petrol hike announced by the government was a big blow to the tourist industry at a time when tourism day celebrations were drawing near, Madras Tourist Taxi Owners Association general secretary Lalgudy Narayanan said.

In a statement, he said the increase would effect a minimum increase of 15 paise per kilometre in the operations of tourist taxis.

### Opposition Criticizes

93AS0024C Madras INDIAN EXPRESS in English  
17 Sep 92 p 9

[Text] New Delhi—The hike in the prices of petroleum products has come in for wide criticism from opposition political parties. They have generally held that the hike is unjustified.

In a strongly worded criticism of the hike, Mr. K.R. Malkani, BJP [Bharatiya Janata Party] Vice-President,

said this "rootless government" was oscillating from the Soviet model to the World Bank model. The hike had been announced, he noted, just as the Finance Minister had left for Washington "to receive a pat on the back from the World Bank."

Mr. Malkani said the tragedy was that all these decisions which would hurt the people were being taken at the instance of the World Bank and other foreign agencies.

The CPI(M) [Communist Party of India-Marxist] politburo said in a statement that the impact of this hike would be felt in every segment of the economy. The "utter callousness" of the government towards the people was becoming intolerable. The CPI also felt the hike would have a cascading effect. It had been effected, according to it under the diktat of the World Bank.

Mrs. Pramila Dandavate, Janata Dal general secretary, said the hike was the result of "shameless surrender" to the IMF-World Bank gang up.

Cong claim: The Congress party denied that the price of petrol and petroleum products had been increased under pressure and claimed that the poor would not be affected by it.

In a chat with presspersons here, party spokesman Mr. V.N. Gadgil said that the price hike would not affect the poor as the price of kerosene had not been pushed up. Mr. Gadgil was also of the view that the impact of the recent price hike would not be inflationary. "I don't think there will be a price increase anywhere," he said.

Mr. Gadgil said that subsidies would have to be gradually withdrawn if the new economic package was to succeed. Subsidy based economics like the Soviet Union and Eastern Europe, he said, had collapsed and "it will be unwise on our part if we don't draw proper lessons."

Mr. Gadgil also appealed to the agitating staff of Door-darshan to withdraw their protest action.

The Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce and Industry of India reacted sharply to the government's decision and said it would have a cascading effect on prices reversing the welcome downward trend in inflation.

The petroleum dealers condemned the sharp hike saying it would directly lead to an increase in the prices of vegetables, fruits and other essential commodities.

Manmohan's defence: Union Finance Minister, Manmohan Singh, justified the steep hike in petroleum products to mop up about Rs [Rupees] 1,200 crores.

Speaking to reporters in London the visiting Finance Minister said the hike was aimed at strengthening the resource generation capacity of the oil sector and to reduce the fiscal deficit.

He said the Indian Government was determined to bridge the fiscal deficit in order to bring the system under control and would take all the necessary steps to achieve the target.

**Assocham Comments**

93AS0024D Madras *INDIAN EXPRESS* in English  
18 Sep 92 p 13

[Text] New Delhi—Reacting to the steep hike in petroleum products across the board to raise additional resources of about Rs [Rupees]1,700 crore to bridge the oil pool account deficit, the Associated Chambers of Commerce and Industry of India (Assocham) spokesman said that the increase might reverse the declining trend in the prices which for the first time in the last hundred weeks, touched a low of 7.7 percent last month.

Surprisingly, the highest increases have been effected in those petroleum products which are used by the industry. The spokesman feared that the industrial growth which has shown some signs of revival in the last two months would get a setback. Also, the increase would have cascading effect on the prices of articles of daily consumption on account of higher transport costs.

Stressing the need for self-sufficiency in the oil sector, the spokesman said that the long term solution lay in vigorously pursuing exploration of oil by offering the seventy-odd sites selected for prospecting to foreign and domestic parties on product sharing basis, said an Assocham news release issued here on Thursday. UNI

### Correspondent Describes Air Exercise on Pakistan Border

BK0310053192 Delhi All India Radio Network  
in English 1545 GMT 2 Oct 92

[Report by correspondent Vivekanand Ray on the "Spotlight" program: "Guarding the Western Sky"]

[Text] As we, about two dozen newsmen from Delhi, stood under a blazing sun on a mortared embankment about 8 km to the west of Pathankot air base on 23d September last waiting for the Indian Air Force's attack helicopters to fly over us, we saw a lineup of tanks approaching. No it was not a war, but a simulated battle to demonstrate the might of India's latest acquired Mi-35 helicopters against enemy tanks. As the engagements drew nearer, the lethal tanks threw up a cloud of dust and amidst its deafening din was heard the rockets bursting, mingling smoke with dust. A two-some formation, one Mi-25 and a Mi-35, carried on the simulated attack on the advancing tanks from the tree-top level, their rotor blasts whipping up dust raised by the cutting edge of Vijayanta [Indian tank] wings.

The international border with Pakistan's Punjab Province is only 23 km to the east as the crow flies from where we stood. Therefore, the sky over this strategic region up to Jammu in the north and to Jullundhur in the south are guarded day and night. The vigil of the air space is the task of Pathankot air base threat to which can come from three Pakistani forward bases in the region at Pasrur, Chander, and Murid. The legendary Sargodha air base is only 200 km straight east. Lahore air base is much nearer toward southeast. India has also a number of air bases along the international border in three states—Jammu and Kashmir, Punjab, and Rajasthan—which are in the state of constant preparedness against intrusion of aircraft from across. Pathankot is the premier air base of the Indian Air Force [IAF] which was built by the British during the Second World War, but was commissioned into the IAF on 7th November 1962, immediately after the Chinese aggression on Arunachal Pradesh. It acquired guided missiles and the Mi-25 helicopters after the India-Pakistan conflict of 1971. It also has a MiG squadron which fought in the 1971 war and brought laurels by glorious resistance and defeat of the enemy in this sector.

We were also shown missile firing through radars by remote control. Any intruding hostile aircraft can be spotted 60 km ahead and before it can fly into Indian territory. Splinters from guided missiles can perforate and ground it. This three-pronged capability of guarding the western skies by MiGs, attack helicopters and guided missiles has kept Pathankot air base in high preparedness. Protracted daily training of the air crew and tough exercises backed by precise command and control at every level along with measures to boost the morale of officers and airmen have made this crucial air base aware of its high strategic importance. Its helicopter squadron did well in Operation Pawan [Breeze] in aid of the IPKF [Indian Peacekeeping Force] in Sri Lanka. The

attack helicopters spelt disaster to the LTTE [Liberation Tigers of Tamil Eelam] who nicknamed Mi-35 as mad-ulai, that is, alligators. The air base is nestled in a jungle in the outskirts of the Pathankot town which goes to sleep after 1900 in the evening because of militants threat. But there is no sleep for those who keep vigil of the skies over Punjab.

Asked if Pakistan's acquisition of French Mirages, as it is said to be trying, would necessitate further upgradation of aircraft and weaponry, the air commodore in charge of this sprawling station's... [remainder of report missed due to technical problem]

### Editorial Reviews Former Army Chief's Remarks on Defense

BK1310084792 Delhi PATRIOT in English 16 Sep 92  
p 4

[Editorial: "Sense in Sundarji words"]

[Text] Almost every country professes to pursue peace and stability, nuclear and general disarmament and a democratic world order as long-term objectives. Only a few great powers look back fondly on the past decades of imperial tranquility. The latter would like the history reversed and Pax Britannica supplanted, if possible, by Pax Americana. But the aims pursued by most nations need to be defined in terms of short-range perspectives. The absence of such short-term goals on the part of the Indian leadership was noted by the report of the Estimates Committee on the Defence Ministry presented in Parliament's last session. Viewed in this light, the projections discussed by Gen K. Sundarji (retd), in his National Security Memorial Lecture, offer a strong case for a national security policy. If the confidence-building measures this country is taking with China and Pakistan are to serve a national purpose, these should be informed by a doctrine based on the realities of the international security environment. The Persian Gulf War, the continuing intervention by the US-led coalition in the region and the resolution on Yugoslavia adopted by the UN, in whose name the United States intervenes in West Asia and now the Balkans, indicate the direction of the changes in the international security settings. Gen Sundarji is right in thinking that it will take time for industrialised powers—he has made it clear that he has in mind the United States, on the one hand, and Germany and Japan, on the other—to be involved in a severe competition among themselves. In the immediate context, however, they act together to deal with the developing nations, towards which they take tough postures. They also try to play off one developing nation against the other. These big powers, he said, were not going to give up willingly or voluntarily economic and technological colonialism. Much would depend on whether the United States displays idealism, vision and statesmanship of a very high order. But the Clinton-Bush contest is not over the values which Gen Sundarji wanted. Whatever may be their differences over the American presidency, the US leaders want to recreate the international systems in the US image so as to



promote US interests, impose US values and the American way of life on the rest of the world. And the last meeting of the G-7 at Munich clearly showed that the world was being divided into the D-mark, Yen and the US dollar zones. Mr. K.C. Pant, who presided over Gen Sundarji's lecture, was right in saying that countries like India, too big and diverse with a "sensitive national ego" to be assigned to any of these zones, will have to fend for themselves. Gen Sundarji went further and expressed the view that the developing countries, "including inveterate adversaries" like India and Pakistan, would have no option but to come together in regional groupings for political, economic and security reasons. At the moment, there seems to be none among the generals in Islamabad who can take such an enlightened view of the global security environment. Gen Sundarji has spelt out the alternatives for India's defence planners in clear and cogent terms. It would be good if the United Services Institute which organised the lecture and others like the Institute of Defence Research and Analyses would conduct public debates on the issues raised by him.

#### **Vice President Dedicates Indigenous Helicopter**

93AS0048A Madras THE HINDU in English 31 Aug 92 p 1

[Article: "Proud Moment as ALH (advanced light helicopter) Soars"]

[Text] Bangalore, Aug. 30. The Vice-President, Mr. K. R. Narayanan, today dedicated to the nation the indigenously developed state-of-the-art advanced light helicopter [ALH] at a colourful function.

As the helicopter in bright red and white colour soared into the sky after a display of its manoeuvrability just above the ground, thunderous cheers by a large gathering rent the air.

Hundreds of engineers and technicians involved in the prestigious project gleefully congratulated one another on the success of the inaugural flight of the first prototype. The helicopter developed in collaboration with formerly MBB [Messerschmitt-Boelkow-Blohm GmbH] of Germany is expected to be out in the International market by 1995-96.

Among those who witnessed the flight were the Defence Minister, Mr. Sharad Pawar, who presided over the function. The Governor of Karnataka, Mr. Khurshed Alam Khan, who released a souvenir. The Chief Minister, Mr. S. Bangarappa, the Railway Minister, Mr. Jaffer Sharief, the Union Minister of State for Defence, Mr. Krishnakumar, and Dr. Raja Ramanna, scientist and former Minister, and the Chiefs of Air Force and Navy.

'Historic event': The Vice-President described the occasion as a "historic event that marks a major triumph for our scientists, designers, and technologists. It is a fine example of cooperation between two friendly countries,

India and Germany, in high technology." The helicopter was a product of the new world of high technologies.

Mr. Narayanan said India believed in the application of science and technology for national development and for building defensive strength of the country. "Our consistent objective has been to achieve maximum possible degree of self-reliance in the defence production and modernisation of arms and equipment for our defence forces." He recalled the contribution made by the late V.K. Krishna Menon in this regard.

The advanced light helicopter was proof of the remarkable success the HAL [Hindustan Aeronautics Limited] had achieved in the twin role of meeting the requirements of the defence as well as civil aviation.

The Vice-President stressed that for India indigenous research and development [R and D] and increasing interface between R and D and production was of supreme importance. It had become absolutely necessary to give greater priority and allot more funds for R and D. The world today was an electro-dynamic-mechanical-electronic one and that was particularly so in the realm of defence and warfare.

**Impressive achievement:** Mr. Sharad Pawar said the completion and development of the hightech helicopter was an impressive achievement for the public sector. The HAL should be proud of this.

The Defence Minister said some factors had delayed the ALH project and it was three years behind schedule. Now that the inaugural flight of the prototype had been completed, he hoped that the remaining milestones would be reached and a fully tested helicopter would be available to the services by 1994.

Mr. Pawar hailed the new product as a symbol of friendship between India and Germany. It would also be a precursor to other pioneering projects by foreign companies in India.

The Chairman of the HAL, Mr. R.N. Sharma said that on June 29, 1992 a new interest was generated in the aviation world when the ALH prototype was unwrapped. They could notice the ripples and today the flight had put their doubts to rest. Tracing the origin and growth of the HAL and paying tributes to the founder the late Walchand Hirachand, Mr. Sharma said in the last 50 years the HAL had developed as precision engineering industry with specialisation in aeronautics. About 3,000 aircraft had been manufactured in HAL and a third of that number was of indigenous design. The growth of the HAL was phenomenal, he said.

After the inaugural flight, the three member crew, Group Captain, B.S. Chokkar, Co-pilot Wing Commander, C.D. Upadhyaya, and Group Captain S. Sridar, flight test Engineer were introduced to the Vice-President, the Defence Minister and other dignitaries. The Vice-President and his wife had a look at the cockpit.

## Space Researchers Reveal Plans for Planet Probes

### ISRO Chairman's Remarks

93AS0040A Calcutta *THE TELEGRAPH* in English  
25 Aug 92 p 5

[Text] Bangalore, Aug. 24 (UNI)—For the first time, the Indian Space Research Organisation (ISRO) has announced plans to launch probes to study various planets and their environs—an effort which could help provide new insight into the solar system.

The ISRO scientists have picked Mars, Mercury and Venus for the studies and have worked out the entire mission sequence for probes to be launched for each of the planets. The sequence includes the control of trajectory, execution of delicate manoeuvres, docking and the use of gravity of other planets as slingshots to hurl the probes deep into the space. According to the ISRO chairman, Prof. U.R. Rao, the first mission (probably to Mars) should take shape by 1998-99, using the geosynchronous satellite launch vehicle (GSLV).

He said his organisation had the confidence and capability to embark on such interplanetary studies. However, minute details such as the type of studies to be carried out and the probes to be launched would be discussed with other scientists after successful flights of the Polar Satellite Launch Vehicle (PSLV) and the GSLV rockets, scheduled for launch in 1993 and 1995 respectively.

Prof. Rao said the launch of these probes would depend on whether the ground stations, with at least two massive dish antennae to receive the data beamed by the probes, were ready. The probes would be modest 200 kg to 250 kg satellites which would throw new light on the planets and the intrigues of deep space.

On the funds required for studies of this magnitude, Prof. Rao said, "We must be ready with the technology and worry about the funds later. If the government cannot fund the entire project, we could collaborate with other countries. I hope the geo-political situation would change for the better by then."

Asked about possible cooperation with China on this interplanetary effort, he said, "I don't know whether they will be interested. It also depends on how much money they can spare."

### Mercury Probe Plans

93AS0040B Bombay *THE TIMES OF INDIA*  
in English 7 Sep 92 p 13

[Text] New Delhi, Sept. 6 (PTI)—India's first planetary destination is likely to be Mercury, the smallest and nearest planet to the sun in the nine-member solar family.

An Indian Space Research Organisation (ISRO) study has recommended a mission to Mercury by the turn of the century, first as a flyby and then as an orbiter, Dr. K. Kasturirangan, director, ISRO satellite centre, Bangalore, said.

"It is feasible to use the indigenous geosynchronous satellite launch vehicle (GSLV) for a mission to Mercury," Dr. Kasturirangan said, delivering the 24th Bhabha memorial lecture here yesterday.

While the flyby mission will provide short glimpses of the planet, the Mercury orbiter will carry instruments for imaging the planet's surface and for remote sensing of environmental conditions on the planet, he said.

The first flight of GSLV, an advanced rocket intended for launching INSAT-type satellites into an orbit 37,000 km above Earth, is scheduled for the mid-nineties.

In an ISRO planetary mission, a GSLV will launch the spacecraft first into a 300 km orbit. The spacecraft will then be boosted into an orbit around the Sun that will ultimately take it to Mercury.

The last mission to Mercury was by the American Mariner-10 spacecraft in the early 70s. Neither NASA, the American space agency, nor any other country has plans for a Mercury mission in the current century.

Dr. Kasturirangan said, the study by ISRO showed that planet Mercury itself could be used for multiple-swingbys before entry of the spacecraft into an orbit around the planet.

The ISRO mission to Mercury would be aimed at resolving several unanswered questions about the planet covering its surface features, geology and magnetism.

Instruments aboard the Mercury orbiter would include devices to determine the composition of gases on the planet, and a high-resolution cameras to photograph the surface, Dr. Kasturirangan said.

Until now, planetary probes have only been sent by the United States and Russia to Mercury, Venus and Mars. Only flybys have been possible to the giant outer planets—Jupiter, Saturn, Uranus, and Neptune.

The proposed mission to Mercury would adopt a trajectory assisted by the gravities of the planets Venus and Mercury, making possible a flyby of Venus as well.

A key unanswered question about Mercury is whether the planet has a molten core. Since Mariner-10 only imaged half of the planet, scientists also do not know the surface features on the planet's other half.

Dr. Kasturirangan also said that studies are underway for the launch of an Indian space module by the end of this century. The module for scientific studies is likely to be docked with one of the existing Mir space stations.

Dr. Kasturirangan said the Indian space module could weigh about eight to ten tonnes out of which about two tonnes would be the scientific payload.

### Supreme Court Stays Order on Bofors Report

93AS0050A Madras *THE HINDU* in English 18 Sep 92  
p 1

[Article: "SC (Supreme Court) Stays Order on Bofors FIR (First Information Report)"]

[Text] New Delhi, Sept. 17. The Supreme Court, today passed interim orders, virtually staying the operation of the judgment and orders of September 2 delivered by the Delhi High Court quashing the "Bofors First Information Report" against Mr. Win Chadha and also the letter "rogatory" issued by a Delhi special judge seeking details of Swiss bank accounts in which alleged pay-offs in the gun deal had been deposited.

According to legal circles, the interim orders will facilitate unhampered investigation by the CBI [Central Bureau of Investigation] into the Bofors scandal, including steps to get at the details of bank accounts frozen by the Swiss authorities, in pursuance of the letter "rogatory" issued to them some time ago.

A Bench, consisting of Mr. Justice S. Ratnavel Pandian and Mr. Justice R. M. Sahai, while granting special leave to the Central Bureau of Investigation to appeal against the High Court ruling, passed interim orders directing that "the impugned judgment shall not be used for any purpose until further orders."

The earlier interim orders made by the Chief Justice's Bench on September 4—that "the High Court judgment of Sept. 2 will not be utilised for defreezing the six frozen accounts or for obtaining any information or documents in this regard"—will continue.

The undertaking given to the apex court on September 4 by counsel for Mr. Win Chadha that his client would not approach any court in India seeking a direction to the CBI that it return to him documents and any other material of evidence it had collected against him would also hold good until further orders, the Bench said.

The Bench granted four weeks' time to counsel for Mr. Win Chadha (respondent) to file counter affidavits both in the appeal by special leave and also in the CBI's application for "stay" of the Delhi High Court judgment and orders.

The application for "stay" and the CBI's appeal would be listed before the court on October 9.

Earlier, Mr. Altaf Ahmed, Additional Solicitor-General (appearing for the CBI and also the Union of India) referred to the apex court's conclusions dated August 27, 1991 in the 'Bofors FIR' case (against the Delhi High Court judge, Mr. Justice Chawla's orders in the H.S. Chaudhry petition) inter alia directing the CBI and the Union of India to show cause why the FIR should not be quashed.

The ASG [expansion not given] referred to the apex court's detailed judgment with reasons, dated August 28, in the same 'Bofors FIR' case and submitted that, by all these orders, the CBI was left free to continue its investigation.

The ASG also pleaded that the apex court's earlier conclusions and judgment in the 'Bofors FIR' case, in no uncertain terms, upheld the validity of the FIR. He also submitted that the latest judgment of the Delhi High Court, dated September 2, was "self-contradictory" and "self-condemned."

In response to a query from Mr. Justice Sahai as to the offences alleged against Mr. Win Chadha (in the context of the High Court's finding that no offences had been made

out), the ASG submitted that the allegation against him was that he, as "middle man" received monies for purposes of "pay-offs" through foreign bank accounts and unless the CBI got access to the accounts, further investigation would be hampered. It was also the case of the CBI, Mr. Altaf Ahmed submitted, that Mr. Chadha openly operated 'Anatronic Corporation of India' and through this, 'surreptitiously' operated a front-company, Svenska Inc of Panama, for receiving the 'pay-off' monies.

#### PTI reports

The CBI faxed a message to the Swiss authorities informing them of the stay order.

#### Stock Market Scam: Manmohan Singh's Stand Viewed

##### Liberalization Continues

93AS0025A Madras INDIAN EXPRESS in English  
17 Sep 92 p 9

[Text] London—Finance Minister Manmohan Singh has called the Bombay stock markets scam an aberration that had been blown out of proportion and said the amount involved—one billion dollars—was "small" compared to deposits held by Indian banks.

In a speech aimed at restoring non-resident Indians' confidence in the Indian reforms programme, on Tuesday night, the Minister said the scam would not be allowed to affect moves towards liberalisation. "If the programme succeeds, India will be a major power in the world," he said.

"We have a reservoir of skilled manpower; inflation is down to eight percent; exports are rising at an annual rate of eight to ten percent. Today our total foreign exchange reserves stand at dollars six billion.

"What we have done is an updating of the economic programme, so that India can join the rest of the world as an equal, not a supplement," he said.

Mr. Singh dismissed claims that the Bombay scam had resulted from the reforms programme.

"It is a sad thing that took place, but the total involved is Rs [Rupees] 3,500 crore, which is a small amount when one sees that Indian banks hold deposits worth Rs.2,60,000 crore and lend advances worth Rs.1,00,600 crore."

The meeting, organised by the London-based Indian League, was Mr. Singh's first engagement after arriving here on a three-day visit aimed, among other things, at reassuring the government and investors that the scam had not hit the Indian economic reforms.

"The scam has been blown out of proportion by the Indian opposition, which does its job of picking holes in the government quite well," Mr. Singh said in answer to a question.

An opportunity: The scam, the Minister said, was "not as abnormal a development as is sometimes made out."

"That is not to say I justify it—we are committed to punishing the guilty and it has given us an opportunity to



clean up the system. It has brought out the weaknesses in the internal working of banks," he added.

Mr. Singh rejected the suggestion that the scam was a product of the climate of liberalisation created by his government, saying it took place in a regime of tight banking controls.

"The reality is that there is a plethora of controls. Ours is an over-regulated but under-governed country," he said.

Mr. Singh revealed that India was looking at the British experience in dealing with such scams, particularly at the frauds department of the Scotland Yard.

"If anything needs to be done, we will do so," he added.

Defends reforms: Mr. Singh made a strong defence of the steps taken to liberalise the Indian economy, saying that these in no way compromised the objectives laid down by the country's founding fathers.

He said the pace of progress since India's independence had fallen "far short of the objective needs and aspirations of our people."

"There is a hard core of poverty—nearly one-third of our people continue to live below the poverty line. That is why it became necessary to have a rethink."

"The instrumentalities had to be turned to suit the changing needs. If we had not done that in June 1991, history would have been very harsh to those in whose care the reins of the government were entrusted," he said.

Listing the steps taken by the Narasimha Rao government—devaluation and removal of subsidies and controls—the Finance Minister said some of the instruments of control had outlived their utility.

"If the old policy had been left untouched, India's inherent development potential would have remained unrealised.

Now, he said, "we no longer believe mother government knows best at all times. At the same time laissez faire is not a practical solution.

"The government will have to take the responsibility of steering the country, but if it stated doing everything, it only meant nothing could be done well.

#### **Singh's Comment 'Outrageous'**

93AS0025B *Madras INDIAN EXPRESS in English*  
18 Sep 92 p 8

[Text] The Union Finance Minister, Dr. Manmohan Singh, must take Non-Resident Indians to be half-wits to suggest to them that the multi-crore bank and share market scam has been blown out of proportion. Admittedly, Dr. Singh said this in an attempt to woo NRP [expansion not given] investment. But how can foreign investment come into the country on any permanent basis unless the financial system is seen to be clean? It is shameful that Dr. Singh, whose own ministry's role in the scam is still under investigation, should go ahead with such a shrill, obviously false and counter-productive sales pitch. Dr. Singh has claimed that the scam is not "as abnormal a development as is being

made out." Is he suggesting, thereby, that his ministry half-expected such a development while the rest of the country did not? And if he and his ministry did anticipate such a "normal" development then might one ask what precautions were taken by it to prevent it?

The Finance Minister told Indian Parliament that the scam occurred due to a systemic failure. Considering that in his several incarnations in the Finance Ministry earlier and then as the Governor of the Reserve Bank of India, Dr. Singh must have played a significant role in putting the system in place, he must surely have known what the strengths and the weaknesses of the system were. A layman therefore cannot be blamed for assuming that those who helped to put the system in place must also necessarily assume responsibility for its failure. Everybody knows, however, that leave alone taking responsibility for the so-called systemic failure, Dr. Singh in fact has been striving to protect those who are even now trying to subvert it. Why else would he have justified the action of his junior Ministers, Mr. Rameshwar Thakur and Mr. Dalbir Singh, in trying to peddle influence with the Congress members of the JPC [Joint Parliamentary Committee] so that they take up positions complementary to those of the Government in denying access to crucial documents to the JPC?

As of now, to an outsider it would justifiably seem that he and his ministry have something to hide. Their reputation can only be salvaged if the entire truth about the scam comes out and they are vindicated. One Minister has already lost his job because of his links with the scam. One cannot say whether some others, whose names are being mentioned by the Opposition in relation to the scam, will not go the same way. Under these circumstances, the Finance Minister is clearly jumping the gun by underplaying the importance of the scam. It is not every day that a high-powered Joint Parliamentary Committee is set up to investigate the rot in the banking system and the stock market. The Finance Minister would have done well to take note of the seriousness of the parliamentary move and the problem it seeks to address. Foreign investors would want to come in only when they know that India has institutional checks on possible systemic abuses. It is no use pretending that everything is hunky-dory when that clearly is not the case.

#### **Social Order Seen Degenerating Rapidly**

93AS0022A *Varnasi AJ in Hindi* 7 Sep 92 p 4

[Article by Hari Shankar Parasai: "Social Agitation and Disorder"]

[Text] At times there is special turmoil in a society and various traditions are broken. There is also restlessness and chaos. All these facts point to a living society and that it is going through some changes. Old values clash with new values. Good changes will happen, new values will emerge, and a new life style will result. A society that stays calm for a long time and has no turbulence is a dead or a lackluster society. Therefore, tumult and restlessness are considered healthy.



However, the basic question is, what kind of restless is there and what is the main reason for it? Is it aimed at creating healthy changes in the society? Is it to end some age-old antihumanity traditions? Raja Ram Mohan Rai started the campaign to end the suttee tradition and faced a lot of opposition from the traditionalists. They led demonstrations and ridiculed Raja Ram Mohan Rai and his supporters. Dayanand Saraswati was a traditionalist and a social reformer. He started campaigns to end the caste system and child marriages. He also campaigned for the remarriages of widows. Scholars of archaic systems and important people opposed him, however, the Arya Samaj movement was very aggressive. The Arya Samaj carried out major changes in western U.P. [Uttar Pradesh] and Punjab. The only negative aspect of this movement was its opposition to other religions and groups.

Opposed to it was the personality of Iran's Ayatollah Khomeini. The Iranians were fed up with the shah's atrocities, however, he had brought modern ideas to Iran. Ayatollah Khomeini called for an Islamic revolution based on Shia fanaticism and Islamic fundamentalism. This old man had a lot of power in his words. He regressed the Iranian thinking back to the 7th century. There was one positive result of his efforts—the shah ran away. However, real democracy never arrived in Iran. When Rafsanjani took over after the ayatollah's death, this fanaticism began to recede a little and now Iranian society is moving toward normalization. Change and restlessness can be given wrong directions, which can result in dangerous developments for many years.

The fundamentalists influenced many societies. The amazing thing is that the Muslim nations that were under Soviet control for 70 years have become fundamentalist. They are neighbors of fundamentalist countries. They are modern nations that want to return to the 7th or 8th centuries. There is nothing wrong in exploring one's roots, however, a grown tree does not have to become a root! One, it is impossible. It will only make one a backward thinker. You cannot lead a tribal kind of life now.

In various changes happening around the world, the fanaticism over religion is most prevalent. Many armed organizations have been established. Political power joins force and uses these organizations. Other religions also organize for political power. Sometimes a political party forms groups in the name of religion and uses them. There are hundreds of such organizations that cause violence all over the world. They work on some politicians or have their own biased goals. All this is happening in India, too.

Religion-related debates that are limited to religion and in which priests and scholars from both sides participate, become more widespread when they become instruments in the hands of politicians. Politicians view everything from

the perspective of votes and elections. There are no ethics in politics now and any wrong method can be used. The dispute of Ram Janambhumi and Babri Masjid belonged to Ayodhya. However, a lot has happened since the Bharatiya Janata Party (BJP) and the Vishwa Hindu Parishad (VHP) joined one side and the Indian Union Muslim League and Sayyed Shahabuddin joined the other side. Such campaigns lead to divisions in society. These do not help in moving forward; these only push toward regression. Such campaigns do not let a society make progress.

Another dispute was started over the Buddha temple in Bodh Gaya. There is a Shiva linga [symbol] in front of Buddha's statue in this temple. The priests are both Buddhists and Brahmans. It could have happened as the result of some compromise or the Brahmans may have taken over this place after the Buddhist emperors lost. There are very few Buddhists in India while there are large numbers in Japan and Southeast Asia. The Brahmans argue that they consider Buddha a reincarnation of Vishnu. The politicians are looking for ways to enter this affair!

There always were caste-related confrontations, however, they were always on a small scale. Their causes were local and the effects were local and for a short time. There were no special reasons behind them. The members of the fourth [lowest] caste have been involved in specific duties for centuries and there was no political awareness. Now some of these low-caste people do other jobs. Some work in factories. Young men of lower caste who work in cities return to villages on visits wearing Western clothing. A caste is known by the occupation and the tools it uses. They have developed democratic awareness now and know their rights. The high-caste people cannot tolerate this change. When a lower-caste wedding party was using a horse for the groom, the Jats and Yadavs [higher-caste people] forced the groom off the horse and beat up the whole wedding party.

Caste-based politics is the most dangerous. Such politics should have disappeared with the increasing awareness about democratic rights. Instead, the situation is getting worse and caste-based political activities are on the rise. Specific political leaders have the support of specific caste groups. There are "armies" of castes. Political leaders get endorsements for their party from various caste groups. They ask for their votes and want to establish supremacy of castes. This hurts our election system and the democratic process. The caste system is influencing other aspects of our lives, also. We are becoming more narrowminded. The caste system is practiced even in offices, business places, and other organizations. Education has not decreased this feeling, it has only increased it. I started this article talking about social upheavals that abolish bad traditions and start good ones. We need to give up what was worth giving up and reform our society to make it more progressive. We do not see such action, however.

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